

MEETINGS OF THE HEADS OF STATE OR GOVERNMENT

**PARIS
19-21 OCTOBER 1972**

The First Summit Conference of the Enlarged Community
Conclusion of the Preparatory Work
Official Invitation
Communiqué
Reactions of the European Institutions

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I. THE FIRST SUMMIT CONFERENCE OF THE ENLARGED COMMUNITY

The first Summit Conference of the enlarged Community was held in Paris on 19 and 20 October 1972. An earlier number of the Bulletin¹ summarized the progress of the preparations up to 5 July 1972. This issue includes remarks on the conclusion of the preparatory work, the final Communiqué from the Conference and the early reactions published at Community level. The introductory speeches by the leaders of the ten delegations together with other texts bearing on the Conference will be published later in the Bulletin.

Conclusion of the Preparatory Work

As mentioned earlier, the preparations for the first Summit Conference of the enlarged Community were successfully carried out through a series of Foreign Ministers' Conferences attended by the Commission. These meetings were held on 29 February, 20 March, 24 April, 26 and 27 May, 26 June, 19 July and 12 September (the last one was preceded by a meeting of the Finance Ministers on 11 September). The Conferences of 19 July and 12 September were prepared through the work of an Ad Hoc Committee made up of Member States' Permanent Representatives, the Ambassadors of the new Members and Commission representatives. The preparations for the Summit also involved many bilateral meetings either between Ministers or government leaders. The preparatory work followed the wish of several Member States that no Summit be called unless it could be expected to yield practical results. After the Conference of Ministers at Frascati on 11 and 12 September, the governments were persuaded that this condition had been met.

The Chairman-in-Office of the Council, Mr *Westerterp*, the Dutch Secretary of State for Foreign Affairs, speaking on behalf of the Chair at the Frascati Conference, reviewed this final preliminary Conference² before the European Parliament during its September session:

"The talks which took place in Frascati near Rome on 12 September with Minister Schmelzer in the Chair, between the Foreign Ministers of the Ten to prepare for the European Summit were successful. The Finance Ministers contributed largely to these fruitful proceedings by agreeing (and I specially

¹ Bulletin EEC 8-1972, Part One, Chapter II. See also Information published every month by the Bulletin, Part Three ("Day by Day").

² EP Debates 153, Appendix to OJ.

draw Parliament's attention to it) to form a European Monetary Cooperation Fund and take the offensive against inflation, which is perhaps Europe's greatest scourge today.

The method used at the Frascati meeting also seems to have been a sound one. There was no attempt to grind down all the differences of opinion still to be seen in the *Ad Hoc Committee's Report*, a group made up by the Permanent Representatives of the Six in Brussels and the Ambassadors of the new Members. There was certainly argument over the main items, but whenever it seemed impossible to agree in the short time available, the reservations were upheld.

The Report, which includes the remaining reservations and a summary of the Frascati discussion, will be submitted for approval at the Conference of Heads of State and Government. The items and documents not in dispute were explicitly accepted by the Ministers who considered that, barring entirely new contingencies, their work of preparation was thus completed.

The Ad Hoc Committee, which made a solid contribution, will include the decisions of 12 September in its Report and then fix the official agenda of the Summit Conference. The Chairman, Minister Schmelzer, stated explicitly several times without any opposition that it would be impossible, during the Summit, to insert completely new and unprepared items into the agenda. The deadlines scheduled in the Ad Hoc Committee's paper for the various proceedings of the European Institutions would be more closely coordinated. The Chairman would also be glad to receive any suggestions which governments might make to him for the text of a statement on general policy.

Let me mention now the discussions we have had based on the Ad Hoc Committee's Report which were attended on the afternoon of 12 September by the Finance Ministers and the Bank Presidents. The text on the formation of a *European Monetary Fund*, agreed by the Finance Ministers, will be inserted into the Report for the Heads of State. The same applies to their declared intentions concerning the anti-inflation campaign.

The Finance Ministers also agreed to ask through the Report the European institutions to take the necessary action to allow transition on 1 January 1974 to the second stage of the Economic and Monetary Union.

Despite the Chairman's efforts to reach a compromise, no agreement could be reached over a text on *regional policy* and especially on the *Community financing* of same. The Ad Hoc Committee will attack this problem again. One of the Groups suggested that in the paragraph of this document which deals with social questions, practical measures be indicated which should be

included in a social action plan desired by all. With the support of several delegations, it was decided to make the Ad Hoc Committee responsible for following up practical possibilities in this field. But it was emphasized on this occasion that it was vital for the Summit Conference to carefully weigh up the desiderata claimed in the social sphere and other sectors, considering their financial repercussions.

During a thorough discussion of the institutional paragraphs, it was agreed to record that owing to objections raised mainly by the new Members, no delegation wanted for the moment to insist on an amendment to the Treaty. Some groups, however, moved that the *election of the European Parliament by direct universal suffrage* did not imply amendment but rather application of the Treaty; namely, Article 138 and that the date of the elections should now be set. It was therefore suggested in Frascati that the enlarged European Parliament be asked to draw up a new proposal for the elections as under Article 138 for decision by the Council within a fixed deadline. This suggestion received qualified support; some delegations, while agreeing that Parliament submit a new proposal, still refused to be bound by a deadline over the Council's ruling. Needless to say, this matter will be shelved until the Conference of Heads of State.

The proposal to regularly convene the Council at the level of Secretaries of State for European Affairs appointed by governments was resisted by some delegations.

The overall reservation made by one country over the paragraph on political cooperation has been withdrawn. No delegation brought up the question of the political Secretariat.

During the debate on external relations, some delegations apparently did not want to institutionalize the EEC-USA discussions.

One delegation recommended that the Community clearly contract a fresh commitment towards the developing countries, asking among other things that an increasing share of development aid be routed via the Community. The Ministers did not feel able to make a statement on this matter in Frascati. But several warnings were uttered against the dangers of contracting new commitments which we could not honour thus provoking bitter disappointment. The Conference of Heads of State will have to rule on these proposals. On the positive side, it was agreed—concerning the paragraph on development aid—to refer to the international development strategy already accepted within the United Nations.

The question whether the Ministers felt that the *Summit Conference* could be held on the date scheduled; namely, 19 and 20 October, was reviewed at the

end of the meeting. I feel in this case that I am exonerated from having to mention any delegations by name since these have already been quoted in the press Communiqués issued after the Conference.

From the very start, Minister Schumann had clearly indicated that he could not say at Frascati whether the Summit Conference could be held on 19 and 20 October. In his introduction, Mr Schmelzer recalled the conclusion of the Council session of 19 July. On that date the Ministers had expressed the wish, shared by all, that the Summit be held on the scheduled date, provided an adequate basis for joint agreement emerged at the next meeting of Ministers in September. The job of the Frascati Conference was to ascertain this. Minister Schumann had said that his own conclusions and those of his financial colleague on the Ministerial talks would have to be referred to the French Council of Ministers and that the President of the Republic would then decide. It was then intimated that the decision could be taken in the next few days and Minister Schumann added that he had enough data to enable him to form his own opinion. The question whether to hold the Summit on the scheduled date was finally answered by the other Ministers as follows: Norway, Luxembourg, Italy, Ireland and Denmark were unreservedly in favour; Germany and Belgium were also in favour but still had to get the formal agreement of their Cabinets. Then, as Head of the Dutch delegation, I made the following statement: "The Netherlands delegation considers that insofar as progress made over economic and monetary union and the Community's external relations is concerned, there exists an adequate joint basis for agreement for us to favour holding the Summit in Paris on the proposed date; namely, on the eve of enlargement. Nevertheless, the Netherlands delegation is sorry to find that during the preparatory work not enough progress has been made towards strengthening the Community institutions. Under these circumstances, we feel bound to submit the conclusions of the Frascati meeting to our Government for it to make a final decision this week (it was the previous week) on participating in the Summit Conference bearing in mind the chances of making fresh progress there".

The two governments who had not announced their decision; namely, the French and Netherlands Governments, had said that they would inform the Chairman, Minister Schmelzer, of their decision after their Councils of Ministers had met.

In the afternoon of Friday, 15 September 1972, Mr Schmelzer as Chairman of this preparatory Conference officially announced to his colleagues from the countries attending the Summit that all the governments who had made reservations at Frascati had withdrawn them. The Chairman was able to make this announcement when he had been officially informed on the Friday afternoon of the French Government's positive decision. The Netherlands

Government had then also decided that the conditions it had put on holding the Summit in Paris as scheduled were met, although it was still convinced that progress should also be made there towards strengthening the Community institutions. After Mr Schmelzer, as Chairman, had transmitted the results to the ten capital cities, the President of the French Republic on the very same evening sent a letter to the Heads of State and Government of the Six and the four new Members officially inviting them to share in the Summit Conference on 19 and 20 October in Paris. This letter has since been published.”

The Official Invitation

When the preparatory stage had been concluded, the President of the French Republic, Mr Georges Pompidou, on 15 September officially invited the Heads of Government of the other Member States and the four new Members to share in the Summit Conference on 19 and 20 October in Paris. There follows the text of President Pompidou's letter:

“After the Meeting in Rome of our Foreign and Finance Ministers, chaired by Mr Schmelzer, it is, I think, clear to us all that we must hold, as I suggested in August 1971, a Conference of Heads of State and Government of the Ten countries, Members and future Members of the Community.

This Meeting is the fitting occasion for a new and important phase in the history of the European Economic Communities. It will allow us to consolidate and pursue an economic and social development which over the last fourteen years the countries of the Six have enjoyed. We shall be able to define some new line of concerted action for our ten countries. It will also help us to make our contribution to solving the economic and monetary problems besetting the western world today, by means of decisions on practice or principle concerning our inter-Community relations. I keenly hope that it will promote awareness by the Community Members of their solidarity and the need to affirm Europe's role in the world. In this way we shall respond to the deeply-felt aspirations of the European peoples and to their noblest interests.

I am glad to confirm my invitation to come to Paris on 19 and 20 October for the first Summit Meeting of the Ten Members of the enlarged Economic Community.”

On 6 October, President Pompidou sent the following invitation to Mr Sicco Mansholt, President of the Commission:

“After the Meeting of the Foreign Ministers in Rome on 12 September, the Heads of State and Government of the Member States of the Community feel it is necessary to hold, as I suggested in August 1971, a Summit Conference.

For matters under its jurisdiction, the Commission has been associated with the preliminary meetings at which the Foreign Ministers of the enlarged Community put forward their Governments' views on the issues for discussion which could be raised within the scope of this Conference. I believe that the Heads of State and Government will feel as I do that the Commission should be associated on the same terms with their proceedings.

I am glad to send you and ask you to transmit to the Members of the Commission whose presence would be of value an invitation to come to Paris on 19 and 20 October next for the first Summit Meeting of the Members of the enlarged Community."

The Results of the Conference

The Heads of State and Government of the nine Member States and future Members¹ with the Commission of the EEC met in Paris on 19 and 20 October at the international conference centre in the former Majestic Hotel for the first Summit Conference of the enlarged Community. The Delegations were led by Mr *Georges Pompidou*, President of the French Republic, Mr *Gaston Eyskens*, Prime Minister of Belgium, Mr *Anker Jørgensen*, Prime Minister of Denmark, Mr *Willy Brandt*, Chancellor of the Federal German Republic, Mr *Jack Lynch*, Prime Minister of Ireland, Mr *Giulio Andreotti*, Council President of the Italian Republic, Mr *Pierre Werner*, President of the Luxembourg Government, Mr *Barend Biesheuvel*, Prime Minister of the Netherlands, Mr *Edward Heath*, Prime Minister of the United Kingdom, Mr *Sicco Mansholt*, President of the Commission.

The Conference proceedings which extended past midnight on the night of 20-21 October emerged as a sixteen-point declaration with preamble. There follows the complete text:

DECLARATION

The Heads of State and Government of the Member States of the enlarged Community meeting for the first time on 19 and 20 October in Paris at the invitation of the President of the French Republic solemnly declare that:

¹ After the negative result of Norway's referendum of 26 September on her joining the Community, she did not attend the Summit Conference (nor the final preparatory proceedings).

At the time when the enlargement, decided under the Rules fixed by the Treaties and respecting the work already accomplished by the six original Member States, is about to become a reality and give the European Community another dimension;

At a time when world events are radically changing the international situation;

At a time when hopes for détente and cooperation are emerging, which satisfy the interest and deeply-felt desire of all nations;

At a time when disquieting monetary or trade problems are obliging us to seek lasting solutions for promoting expansion with stability;

At a time when many developing countries, seeing the gap widening between them and the industrialized nations, are legitimately claiming increased aid and a more equitable utilization of wealth;

At a time when the Community's tasks are magnifying and new responsibilities are being assigned to it;

The time has come for Europe to realize the unity behind her interests, the scope of her capabilities and the importance of her obligations;

Europe must be capable of making her voice heard in world affairs and making a creative contribution in proportion to her human, intellectual and material resources and affirming her own concepts in international relations in line with her role in initiating progress, peace and cooperation.

To this end:

1. The Member States reaffirm their resolve to base their Community's development on democracy, freedom of opinion, free movement of men and ideas and participation by the people through their freely elected representatives;
2. The Member States have resolved to strengthen the Community by forming an Economic and Monetary Union, as a token of stability and growth, as the indispensable basis of their social progress and as a remedy for regional disparities;
3. Economic expansion, which is not an end in itself, must as a priority help to attenuate the disparities in living conditions. It must develop with the participation of both sides of industry. It must emerge in an improved quality

as well as an improved standard of life. In the European spirit special attention will be paid to non-material values and wealth and to protection of the environment so that progress shall serve mankind;

4. Aware of the problems arising from the persistent underdevelopment in the world, the Community affirms its resolve, within overall policy, towards the developing countries, to raise its efforts in aid for and cooperation with the poorest nations and with special consideration for the countries towards whom historically, geographically and through signed commitments the Community has specific obligations;

5. The Community reaffirms its resolve to promote the development of international trade. This resolve is extended to all countries without exception. The Community is prepared, openmindedly as it has already proved and in line with the IMF and GATT procedures, to enter as soon as possible into negotiations based on the principle of reciprocity, which will allow stable and balanced economic relations to be achieved in monetary affairs and trade and where the interests of the developing countries must receive full consideration;

6. In the interests of the good neighbourly relations which must exist between all the European nations, whatever their régime, the Member States are resolved, especially through the Conference on European Security and Cooperation, to promote their policy of détente and peace with Eastern European countries, establishing on a permanent basis broader human and economic cooperation;

7. In line with its political aims, the construction of Europe will allow the continent to assert its personality in the loyalty of its traditional friendships and in the alliances of its Member States and to make its mark in world affairs as a distinct entity determined to promote a better international balance which respects the United Nations Charter. The Member States of the Community, the driving wheels of European construction, declare their intention of converting their entire relationship into a European Union before the end of this decade.

Economic and Monetary Policy

1. The Heads of State and Government reaffirm the resolve of the Member States of the enlarged Community to move irrevocably the Economic and Monetary Union, by confirming all the details of the Acts passed by the

Council and by the Member States representatives on 22 March 1971 and 21 March 1972.

The required decisions will have to be taken during 1973 to allow transition to the second stage of the Economic and Monetary Union on 1 January 1974 and in view of its complete realization by 31 December 1980 at the latest.

The Heads of State and Government reaffirmed the principle of parallel progress in the various fields of the Economic and Monetary Union.

2. The declared that fixed but adjustable parities between their currencies are an essential basis for achieving the Union and expressed their resolve to set up mutual defence and support mechanisms within the Community, which will allow the Member States to ensure that they are honoured.

They decided to set up officially a European Monetary Cooperation Fund before 1 April 1973. Based on the EEC Treaty, the Fund will be run by the Governors Committee of the Central Banks within the overall guidelines of economic policy adopted by the Council of Ministers. In its early stage the Fund will function on the following basis:

- (i) Concertation between the Central Banks over the required shrinkage of fluctuation margins between their currencies;
- (ii) Multilateralizing of positions arising from interventions in Community currencies and multilateralizing inter-Community rules.
- (iii) Utilization for the above of a European monetary unit of account.
- (iv) Administration of short-term monetary support between the Central Banks.
- (v) The very short-term financing of the Agreement on shrinking the margins and short-term monetary support, will be regrouped within the Fund through an updated mechanism. For this, the short-term monetary support will be adjusted technically without changing its basic character or the consultation procedures involved.

The competent Community agencies will have to submit reports:

- (i) On short-term aid dealings by 30 September latest;
- (ii) On terms for progressive pooling of reserves by 31 December 1973.

3. The Heads of State and Government insisted on the need for closer coordination of Community economic policies and adopting more effective procedures for same.

In the present economic situation, they consider that the anti-inflation campaign and stabilization of prices must get priority. They officially briefed their authorized Ministers, when the enlarged Council meets on 30 and 31 October 1972, to take specific measures in the various areas ripe for effective and realistic short-term moves to attain these objectives allowing for the different conditions in the countries of the enlarged Community.

4. The Heads of State and Government express their resolve that the Member States of the enlarged Community will contribute through a joint outlook in guiding the reform of the international monetary system towards the adoption of a lasting equitable order.

They consider that the system should be based on the following principles:

- (i) Fixed but adjustable parities,
- (ii) An overall convertibility of currencies,
- (iii) An effective international regulation of world liquidity supply.
- (iv) Curtailing the role of national currencies as reserve resources,
- (v) An equitable and effective adjustment process,
- (vi) Equality of rights and obligations for all under the system,
- (vii) The need to reduce the unbalancing effects of short-term capital movements,
- (viii) Consideration of the developing countries' interest.

Such a system would be completely suitable for achieving Economic and Monetary Union.

Regional Policy

5. The Heads of State and Government give top priority to correcting the structural and regional imbalances in the Community which could hinder the achievement of the Economic and Monetary Union.

The Heads of State and Government invite the Commission to prepare as soon as possible a report analysing the regional problems of the enlarged Community and offering suitable proposals.

They henceforth commit themselves to coordinate their regional policies. Desiring to apply their efforts to a Community solution of regional problems, they ask the Community Institutions to set up a Regional Development Fund

to be operative by 31 December 1973. From the start of the second stage of the Economic and Monetary Union this Fund will be backed by the Community's own resources. Its interventions, coordinated with national aid will help, alongside the creation of the Economic and Monetary Union, to correct the major regional imbalances in the enlarged Community and especially those arising from a predominance of agriculture, industrial changes and structural underemployment.

Social Policy

6. The Heads of State and Government emphasized that vigorous action in the social sphere is to them just as important as achieving Economic and Monetary Union. They consider it absolutely necessary to secure an increasing share by both sides of industry in the Community's economic and social decisions. They ask the Institutions after consulting both sides of industry to draw up an action programme before 1 January 1974 providing practical measures and the means for them, within the scope of the Social Fund, based on suggestions put forward by the Heads of Government and the Commission during the Conference.

The programme must implement a coordinated policy for employment and vocational training, to improve working and living conditions, secure the collaboration of workers in the function of undertakings, facilitate — according to the conditions in each country — the conclusion of collective European agreements in appropriate areas and strengthen and coordinate action for protecting the consumer.

Industrial, Scientific and Technological Policy

7. The Heads of State and Government felt there was a need to try and provide a uniform foundation for industry throughout the Community.

This entails the removal of technical barriers to trade and elimination, especially in the field of taxation and law, of obstacles hindering alignment and concentration among undertakings, swift adoption of a statute for the European company, the progressive and effective opening up of public contracts, the promotion on the European scale of competitive undertakings in advanced technology, the adaptation and redevelopment, under socially acceptable conditions, of industrial branches in difficulty, the preparation of provisions to guarantee that concentrations, affecting undertakings established in the Community, are compatible with the Community's socio-economic

goals, and fair competition under the Treaty provisions both within the Common Market and on the outside markets.

Objectives should be defined and the development of a common scientific and technological policy ensured. This policy implies coordination of national policies within the Community Institutions and the joint carrying out of action in the Community interest.

To this end, an action programme with a precise schedule backed by appropriate means should be drawn up by the Community Institutions before 1 January 1974.

The Environment

8. The Heads of State and Government stressed the value of a Community environment policy. They are therefore requesting the Community Institutions to draw up an action programme with a precise schedule before 31 July 1973.

Energy

9. The Heads of State and Government feel there is a need for the Community Institutions to work out as soon as possible an energy policy which ensures a reliable and lasting supply on economically satisfactory terms.

External Relations

10. The Heads of State and Government affirm that their efforts to construct their Community will only take on their full meaning to the extent that the Member States succeed in acting together to meet Europe's growing responsibilities in the world.

11. The Heads of State and Government are convinced that without vitiating the advantages enjoyed by the countries with whom it has special relationships, the Community must respond more than ever before to the expectations of all the developing countries.

From this angle the Community puts great value on the Association policy as confirmed by the Accession Treaty and on honouring its commitments towards the Mediterranean countries with whom agreements have been or are to be made, agreements which require an overall and balanced handling.

Likewise, remembering the outcome of the UNCTAD Conference and within the scope of the development strategy adopted by the United Nations, the Community Institutions are asked to activate an overall policy of cooperation in development on a world scale and including the following aims:

- To promote in suitable cases agreements on commodities from the developing countries in order to stabilize markets and boost their exports.
- To improve the generalized preferences with the target of steady growth in imports of manufactured products from the developing countries.

Here the Community Institutions will study from early 1973 terms enabling the target of substantial growth to be achieved.

- To increase the volume of public financial aid.
- To improve the financial terms for this aid, especially for the benefit of the most underfavoured developing countries, with reference to the recommendations, of the OECD Development Aid Committee.

These questions will be the subject of studies and decisions through 1973.

12. Concerning the industrial countries, the Community is determined that to ensure a harmonious development of world trade it will:

- Contribute, while respecting the Community assets, to the progressive decontrol of international trade based on reciprocity and aimed at tariff and non-tariff barriers;
- Carry on constructive dialogue with the USA, Japan, Canada and the other commercial industrialized partners with an open mind and exploiting appropriate vehicles.

In this context, the Community regards as crucial the multilateral negotiations within GATT in which it will share as declared previously.

The Community Institutions are therefore asked to define an overall concept by 31 July 1973 at the latest.

The Community hopes that an effort by all the partners will allow the negotiations to be concluded in 1975.

The Community confirms its wish that the developing countries fully share in preparing for these negotiations which must consider the interests of these countries.

In view of the Agreements made with the EFTA countries not applying for Membership, the Community declares itself ready to seek a swift solution with Norway to the trade problems which she is facing in her relations with the enlarged Community.

13. In order to promote the détente in Europe, the Community reaffirms its resolve to follow a trade policy towards the Eastern countries from 1 January 1973. The Member States are prepared to promote a policy of cooperation with these countries based on reciprocity.

This cooperation policy is presently closely tied to preparations for the Conference on European Security and Cooperation, where the Community and Member States are asked to make a concerted and constructive contribution.

Political Cooperation

14. The Heads of State and Government consider that political cooperation between Member States in the area of foreign policy has got off to a good start and should be further improved. They agreed that consultation would be intensified at all levels and that the Foreign Ministers would henceforth meet four times instead of twice a year. They considered that the goal of this cooperation was to deal with current questions and as far as possible to work out joint medium and long-term positions bearing in mind the implications and effects in the field of international policy of Community policies in preparation. For affairs which impinge on Community activity close contact will be kept with the Community Institutions. They agreed that the Foreign Ministers would compile by 30 June 1973 a second report on methods for improving political cooperation as had been anticipated in the Luxembourg Report.

Strengthening the Institutions

15. The Heads of State and Government found that the Community Institutions were proving themselves but considered that the decision procedures and the running of the Institutions ought to be improved to boost their efficiency.

The Institutions and if need be the Government Representatives of Member States are asked to adopt, before the end of the first stage of the Economic and Monetary Union, measures based on the Report to be submitted by the Commission before 1 May 1973 under the Resolution of 22 March 1971,

concerning the distribution of authority and responsibilities between the Community Institutions and the Member States which are needed for the smooth running of the Economic and Monetary Union.

The Heads of Government also thought it desirable to standardize the dates on which the national Councils of Ministers meet in order to let the Council of the Community organize its schedules more regularly.

Wishing to strengthen the supervisory powers of the European Parliament, apart from when under Article 138 of the Rome Treaty it will be elected by universal suffrage and in wanting to improve the terms of its function, the Heads of Government confirm the decision of 22 April 1970 by the Council of the Community. They ask the Council and the Commission to implement promptly the practical measures to strengthen Parliament and improve the relations of both the Council and Commission with the Parliamentary Assembly.

Before 30 June 1973 the Council will take practical measures to improve its decision procedures and the consistency of Community action.

The Heads of Government asked the Community Institutions to accord the Economic and Social Committee the right to issue from now on Opinions on its own initiative concerning all questions affecting the Community's work.

They agreed that in order to accomplish the tasks laid out in the different action programmes, it was advisable to use as widely as possible all the provisions of the Treaties including Article 235 of the EEC Treaty.

European Union

16. The Heads of States and Government have assigned themselves the key objective of converting, before the end of this decade and in absolute conformity with the signed Treaties, all the relationships between Member States into a European Union. They are therefore asking the Community Institutions to prepare before the end of 1975 a report to be submitted to a further Summit Conference."

Initial Reactions of the Community Institutions

The European Parliament

At a press conference called in Brussels on 23 October, the President of Parliament, Mr *Walter Behrendt*, flanked by the Chairmen of the political Groups, pronounced on the outcome of the Summit Conference. While he

acknowledged that the first Summit Conference of the enlarged Community had been a success, Mr Behrendt said he was disappointed with the result as far as the Institutions were concerned. Mr Behrendt also pointed out that Parliament would not fail to take the greatest care to see that an effective follow-up was given to the final Communiqué from the Conference. In conclusion, he read a statement which the Chairmen of the Christian Democrat, Socialist and Liberal and Allied Groups had formulated together:¹

1. The first Summit Conference of the enlarged Community has proved that the Community in new form is viable. Its first test is a success.
2. The decisions taken, the specific briefs assigned and the political intentions voiced show that the inertia observed previously at the Hague Summit has been steadily eliminated. From now on there is a chance of the Community being imbued with a new dynamism.
3. The Institutions were inadequately dealt with. This concerns as much the efficacy of the Council of Ministers as the democratization of the Community through a fuller participation by Parliament. The brief assigned to the Community agencies to make the necessary adaptations and improvements is the point of departure for the future action of this House. The European Parliament will take the initiative to give this brief its full political content.”

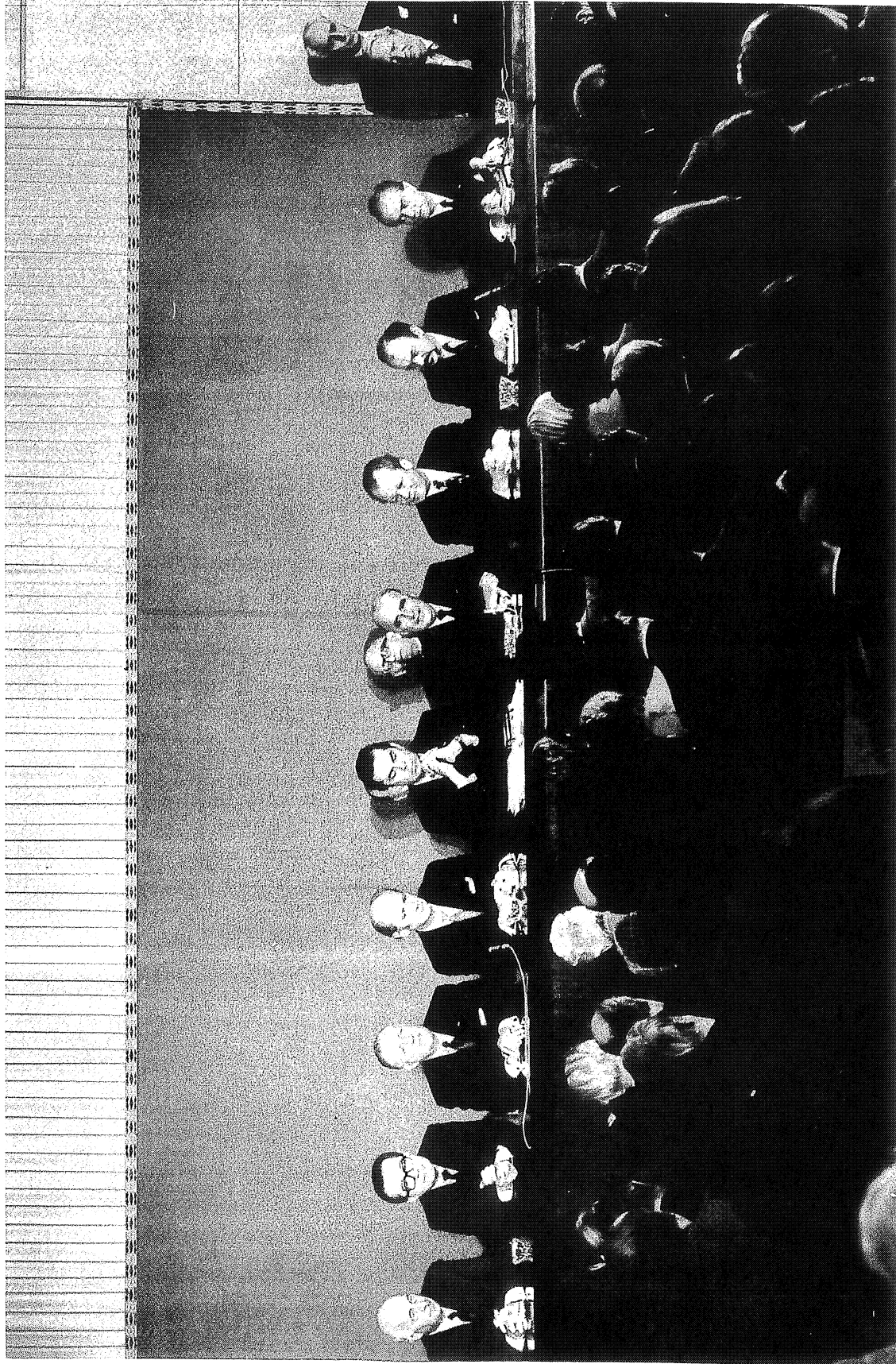
The Commission

At a press conference on 23 October, Mr Sicco Mansholt, President of the Commission, gave his initial impressions. Admitting that anyone expecting the Summit Conference to yield practical decisions on specific problems could be disappointed, Mr Mansholt said that if one regarded the goal of the Summit in terms of overall definition of a long-term political framework, there was much cause for satisfaction, especially as the Conference had unfolded a wide range of possibilities. It would be up to the Community Institutions to turn them into practical proposals. Mr Mansholt then mentioned various issues brought out by the Summit. On the subject of *European Union* which politically speaking was the key concept to emerge in Paris, Mr Mansholt, remarking that this term can mean “much or nothing,” felt that in the end everything would hinge on the resolve of people, the Governments and the Community Institutions. He added that personally he thought that the outcome would be neither a federation nor a confederation but something “sui

¹ Mr Triboulet, Chairman of the UDE Group, took a more reserved attitude, insisting that the present institutional balance must not be jeopardized.



Summit conference. General view.



The Press Conference after the summit conference;
first row, from left to right; Messrs Mansholt, Andrcotti, Werner, Lynch, Biesheuvel,
Pompidou, Brandt, Jørgensen, Eyskens, Heath.

generis" which should take into account the history of the peoples of the Member States and their hopes. At any event, added Mr Mansholt, the future Union should have autonomous powers of decision; in other words, a government, and be responsible to a Parliament democratically elected.

On the Institutions, the Commission regretted that no decision had been made on the direct election and the powers of the European Parliament. The Institutions who will be involved in preparing the Report on European Union; namely, Parliament, the Council and the Commission, will have to act so that the new Summit Conference receiving the Report advances the political construction of Europe.

Concerning the development of the Community, the Commission stressed the highly constructive nature of the Summit conclusions. For the first time, the way is open to prepare a real common social policy. The barriers against the adoption of the basic instruments for regional policy have been removed. Major commitments have also been made towards achieving the Economic and Monetary Union over industrial policy and the other common policies. The texts of the Resolution on external policy are highly significant. The Commission, however, would have liked bigger commitments to have been made in favour of the developing countries. The Commission will express this overall positive opinion at the next session of Parliament.

The Commission has also immediately adopted various Directives to start proceedings in its own services pending application of the Summit conclusions.

The Economic and Social Committee

In a Communiqué published on 24 October, Mr *Alfons Lappas*, Chairman of the Economic and Social Committee, welcomed the results of the Summit. Although many problems requiring swift solution had not been settled, the Governments affirmed their resolve to intensify the Community.

Mr Lappas was pleased with the moves for achieving a European social policy and with the proposals for developing a common regional policy, especially as regards the formation of a European Regional Fund.

Mr Lappas was particularly glad that the Heads of Government found it absolutely necessary to secure greater participation by both sides of industry in the Community's economic and social decisions and to accord the Economic and Social Committee a right of initiative over all problems concerning the Community's work.

In conclusion, Mr Lappas regretted that the radical differences between the opinions of the Heads of Government over the reform of the European Institutions had not been bridged at the Conference, but emphasized that extending the legal authority and the budgetary rights of Parliament, strengthening the initiative of the Commission and the greater efficacy of Council proceedings were all key factors in a fruitful European policy, without which the "European Union" would remain an illusion.

CONFIDENTIAL

2

PRIME MINISTER

Agree
H. G. W.

I think you should know that a discrepancy has come to light between the English and French texts of the passage on social policy in the Summit communiqué.

2. The English text contained in the White Paper says:-
"This programme should aim, in particular, at carrying out a co-ordinated policy for employment and vocational training, at improving working conditions and conditions of life, at closely involving workers in the progress of firms, at facilitating on the basis of the situation in the different countries the conclusion of collective agreements at European level in appropriate fields and at strengthening and co-ordinating measures of consumer protection."
3. The French text has, instead of the words underlined-
"à assurer la collaboration des travailleurs dans les organes des entreprises".
4. British officials on the drafting committee are sure that it was finally decided to omit the words "in the organs". The English text which you used at the table accordingly did not contain these words. However, the French text included them.
5. The Danish Government, who prefer the French version, have spoken to the French Government and asked them to correct subsequent English versions of the text.

CONFIDENTIAL

A

6. According to the French transcript of the proceedings, you are shown as agreeing to the text proposed by the Belgians "dans les organes des entreprises".

7. My own recollection is that you did not agree to this, and I believe that the bad translation arrangements were responsible for the misunderstanding.

B

8. I suggest that the right line for the FCO to take is in paragraph 4 of telegram No. 778 to Paris. Do you agree?

B.

9 November, 1972.

D'autre part nous en revenons au deuxième paragraphe à la proposition du Premier Ministre du Danemark ainsi que de Monsieur le Ministre du Trésor de la République italienne. Voici le texte, non pas tel que je le propose, mais tel qu'il se présenterait si ces propositions étaient adoptées:

"ce programme devra notamment viser à mettre en oeuvre une politique coordonnée en matière d'emploi et de formation professionnelle, à améliorer les conditions de travail et de la vie, à associer étroitement les travailleurs à la marche des entreprises en favorisant notamment leur participation à la prise des décisions, à faciliter en se fondant sur la situation des différents pays la conclusion de conventions collectives européennes dans les domaines appropriés, et à renforcer et à coordonner les actions en faveur de la protection des consommateurs".

..."à associer étroitement les travailleurs à la marche des entreprises en favorisant notamment leur participation à la prise des décisions".

M. Edward HEATH, Premier Ministre (Royaume Uni de Grande Bretagne) (interprétation) : Monsieur le Président il me paraît difficile d'accepter la mention expresse de la participation à la prise de décision, car cela soulève des problèmes très importants: les rapports entre syndicats et entreprises, la structure des entreprises. Je suis d'accord pour l'association étroite des travailleurs à la marche des entreprises comme le dit déjà le texte actuel car là nous avons toute latitude de prendre toutes sortes de mesures en faveur des travailleurs. Mais, si nous précisons ici qu'il s'agit de la prise de décision, à ce moment nous risquons de grandes difficultés. Quant à moi il me serait très difficile d'accepter ce texte.

.../...

M. Gaston EYSKENS, Premier Ministre (Belgique)
Monsieur le Président lorsqu'on parlait hier de la politique sociale j'ai attiré l'attention des participants à la Conférence sur le fait que, dans le rapport des Ministres des Affaires Etrangères du 12 septembre sur le point JO et sur l'alinéa F, il y avait un texte. J'ai proposé de s'en tenir à ce texte en disant : si on s'en écarte on risque de s'engager dans une discussion confuse et très longue. Ce texte est le suivant : "la collaboration des travailleurs dans les organes des entreprises".

Monsieur Georges POMPIDOU (France): le texte tel que le propose le Premier Ministre de Belgique serait, dans ce cas là; "à améliorer les conditions du travail et de la vie, à assurer la collaboration des travailleurs dans les organes des entreprises".

M. Gaston EYSKENS, Premier Ministre (Belgique)
C'est le texte des Ministres des Affaires Etrangères

M. Edward HEATH, Premier Ministre (Royaume Uni de Grande Bretagne) (interprétation): nous pourrions être d'accord Monsieur le Président

M. Georges POMPIDOU (France) : Monsieur le Premier Ministre danois est d'accord également.

M. BIESHEUVEL, Président du Conseil (Pays-Bas) (interprétation): Monsieur le Président je peux accepter cet amendement mais hélas je voudrais revenir un instant sur la proposition faite par le Premier Ministre français c'est-à-dire la consultation dans le cadre du Comité économique et social, il s'agit de la consultation des partenaires sociaux. J'aimerais savoir ce qu'en pense la Commission.

.../...

Je me demande si les syndicats, les organisations de travailleurs, nous seraient reconnaissants si nous adoptions cette attitude, car les membres du Comité social sont désignés par les Gouvernements alors que les syndicats ont leur propre politique. J'aimerais que d'autres possibilités soient offertes également. Voilà pourquoi j'ai parlé d'organes compétents, ou je parlerais d'organes compétents. En tous cas j'aimerais bien connaître le point de vue de la Commission

M. Sizzo MANSHOLT, Président de la Commission

Si on dit : "les partenaires sociaux dans le cadre du Comité économique et social", c'est un pas en arrière. Ce sera considéré comme tel par les patronnats et les travailleurs parcequ'il est normal qu'on les consulte aussi dans leurs organisations sur le plan européen. Je pourrais plaider pour ne pas ajouter " dans le cadre de la C.E.S." mais pour les consultations des partenaires sociaux sur tous ces programmes.

Monsieur Georges POMPIDOU (France) : la délégation française retire sa proposition.

Je relis le dernier paragraphe : " ce programme devra notamment viser à mettre en oeuvre une politique coordonnée en matière d'emploi et de formation professionnelle, à améliorer les conditions du travail et de la vie, à assurer la collaboration des travailleurs dans les organes des entreprises, à faciliter en se fondant sur la situation des différents pays la conclusion de conventions collectives européennes dans les domaines appropriés..." Le reste sans changement.

(adopté).

.../...