

MEETINGS OF THE HEADS OF STATE OR GOVERNMENT

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*Looking to the "Summit" of Ten
Preparations up to August 1972*

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II. LOOKING TO THE "SUMMIT" OF TEN

After the Summit Conference in The Hague on 1 and 2 December 1969, the Member States' Heads of State or Government had assigned the Foreign Ministers to "investigate the best way of making progress in unifying policies in view of the enlargement". The Report made after this decision and adopted in its final form by the Foreign Ministers of the Six on 27 October 1970 recommends that if the circumstances and matters to be dealt with justify it, the six-monthly meeting of Ministers could be replaced by a Conference of Heads of State or Government.

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The monetary events of May 1971 having compromised the realization of the Economic and Monetary Union decided only a few weeks earlier by the Council and Member State's Government representatives,¹ the European Parliament took the initiative in asking for a new Summit to be convened. During Parliament's debate on monetary problems in the May 1971 session, Mr Oele, Mr Broeksz, Mr Ramaekers, Mr Spénale and Mr Vredeling had submitted a Resolution proposal aimed at "organizing a Summit Conference of Heads of Government of the Six Member States which would help to overcome the current difficulties".

In the Resolution adopted during the following session in June 1971,² Parliament "invites the Council of Ministers to initiate talks between Member States' Governments and including the Commission and Parliament to set up, after careful preparation and with the enlargement in mind, a Conference of Heads of State or Government. The mission of the Conference is to define the objectives of a united Europe, settle the outstanding issues, especially those still blocking the Economic and Monetary Union and obstructing the goals of the Third Programme of Medium-Term Economic Policy, and thirdly to strike a more democratic institutional balance".

As Mr Scarascia Mugnozza pointed out, when he was Chairman of the European Parliament Political Committee, the Summit "must not prejudice the situation before the Community's enlargement. Its task will be to solve the problems of the Economic and Monetary Union, if they have not been cleared up already, to recommend objectives for Europe in view of the enlargement, and strike a more democratic balance between the institutions".

In August 1971 after the United States Government's decision to suspend gold convertibility, the French Government announced the intention of the President

¹ Resolution by the Council and Member States' Government representatives on the achievement by stages of the Economic and Monetary Union in the Community. EC Bulletin 4-1971, Part 1, Chap. I.

² OJ C 66 of 1 July 1971.

of the Republic to suggest "to the government leaders of the Community and the countries preparing to join, that advance discussions be organized pending a meeting at their level".¹

The day after this announcement, the President of the Commission, Mr Franco Maria Malfatti, made the following statement at the start of the Council session of 19 August 1971:

"The problems which the European Community must face in the near future in making a constructive contribution to improving, on a new basis, world economic relations, can certainly not be completely solved today, at that meeting. The task before us is not an appendix to today's limited debate. We have to overhaul the economic structure which has ruled for the past twenty-five years over the relationships of almost all the countries of the world. From this widespread transaction a new reality must emerge. Our contribution and the defence of our interests as Europeans will depend on the degree of solidarity and unity which we can prove.

The Commission therefore fully endorses Mr Pompidou's move when he proposed to call, after careful preparation, a new Summit Conference of government leaders of the expanding Community. Only top-level political decisions will enable us to tackle our task properly, considering the multiple complications in the new situation following the measures announced by President Nixon".

Afterwards, on 10 September 1971, President Malfatti, on behalf of the Commission, sent a letter to the Heads of State or Government, drawing their attention to the serious risks for the Community in the monetary crisis.

In the letter, the Commission "considers it its duty to attend to this situation which may have an unhappy outcome both for our Community's future and for preserving the Community's present assets. For the first time in Community history, we are facing not merely a halt in the march on our objectives but a likely reversal of the trend and the possible deterioration of our Community. Obviously then the answers which we can find to our present difficulties will affect our chances of protecting equitably and systematically our Community interests which can henceforth be identified as our national interests. They will affect our scope for helping effectively to mould a new and more finely balanced form for international relations and will colour our chances of ensuring the smooth functioning of all that we have constructed over the last years. It may take a long time to resolve this complicated crisis. Nevertheless

¹ Communiqué published on 18 August 1971.

the time allowed to safeguard our house and work out a strategy which, under the new circumstances, will enable us to move forward in a Community spirit, is in fact extremely short.

Facing the need to tackle the immediate problems and confronted by disparate short-term economic situations, our greatest danger is in policies developed on exclusively national lines, diverging from and contrary to Community objectives. If we do not do our utmost to arrest this trend immediately, we shall deny the very reason for being of our Community.

Moreover, we must keep in mind that prolonging the present situation threatens to have a negative effect on the reality of the Community and on our proposed objectives for development. The basic vehicle of Community development; namely: the Economic and Monetary Union, is now held up. The opening moves which were to be made on the monetary front are now not feasible. Furthermore, it is doubtful whether the scheduled progress can be made in coordinating short-term and medium-term economic policies, in fiscal harmonization, in creating a single capital market and in regional policy.

The smooth running of the common agricultural market is already hampered by the existence of four different exchange systems within the Community. It is therefore getting very complicated to fix new prices for agricultural produce and get a new policy for structures underway.

On the commercial policy front with monetary policies still at cross-purposes the promotion of inter-Community trade is precarious. It is also likely that to iron out the difficulties due to the American measures on freedom of exchange, Member States will bring in national measures which might heighten the existing disparities in their policies of aid for export.

Tomorrow we could find ourselves not with just one more opportunity lost for moving further towards the construction of Europe, but facing a situation which has altered and vitiated all we have accomplished.

In the present state of affairs, the Commission feels that concurrently with the Council's coming discussions on the impact of the American moves, the Community institutions must consider everything that can be done to strengthen our Community. Working from the aims and decisions of the Summit at The Hague and guided by recent experience, these considerations should lead to preparing a more effective programme, a more realistic timetable and resources more closely geared to today's needs in strengthening the Community both in its institutions and its activities.

Obviously well prepared decisions taken at top political level will allow us to take effective action. So on behalf of the Commission, I have already stated at the Council meeting of 19 August that we support the intention of Mr Pompidou of calling together the political leaders of the Member States and the incoming countries.

In this context, the Commission will make any helpful suggestions. Carrying out the decisions taken will have to be done by combining all the political and democratic power of our countries".

This move by the Commission was warmly welcomed by the governments and the idea of holding a European Summit embracing both the Six and the four applicant Members was also supported by the British Prime Minister, Mr Heath, speaking in Zurich on the 25th anniversary of Winston Churchill's speech.

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During a press conference on 23 September 1971, President Pompidou talking about monetary problems, said about the Summit Conference: "What we need is to foster boldly economic concertation between partners so that Community currencies are not just at a certain rate relative to outside, but so that they are linked to each other by fixed and stable rates based on healthy, balanced economies. It is quite normal for those who are trailing to try and catch up and for those who are ahead to try and steady down. But unity should be the aim. It is a long way off and it is complicated but it is not beyond us. The whole matter can be the subject of a Summit Conference of the enlarged Community, as I suggested on 18 August, provided that it is very carefully prepared and well timed. Here I agree completely with Chancellor Brandt. Summit Conferences are not for swapping declarations of intent but for taking decisions".

Preparation for the Summit Conference of political leaders came up at the Conference of Foreign Ministers of the Six, held in Rome on 5 November 1971.

The Conference had received a note from the Belgian Minister for Foreign Affairs, concerning the basic guidelines for the Summit. Mr Harmel had stressed the need for such a meeting just when the expanding Community had to define its action regarding the outside world and had to deal with monetary difficulties. The Belgian Minister felt that the agenda should include:

- (a) A fresh impetus to the Economic and Monetary Union,
- (b) Laying down a Community programme regarding the developing countries,

- (c) A constructive definition of EEC-USA relations,
- (d) Adoption of a common policy towards the European Conference on Security and Cooperation (CSCE),
- (e) The future of the European institutions not deriving from the Rome and Paris Treaties (Council of Europe, Union of Western Europe, etc.),
- (f) Institutional issues in the enlarged Community. As to the date, Mr Harmel suggested March 1972 and for the place he proposed Luxembourg since this country was now bearing the "rotating" presidency of the Council of the European Community.

In a statement given to Mr Moro during this Conference by Mr Franco Maria Malfatti, the Commission, noting that problems of a political nature were threatening the Community, pointed out that the Summit should be held "as soon as possible in 1972", as soon as the decisions had been made, which would restore monetary order in the Community. The President of the Commission said that the guidelines the Commission wished to see (on Economic and Monetary Union, the Community's world position, strengthening of institutions) seemed much akin to those envisaged by the Member States. The Foreign Ministers agreed that the Commission should share in the Summit proceedings, on matters under its jurisdiction and should be involved in the preparatory work on same. The statement issued to the press after the conference said: "Ministers discussed a future Conference of Heads of State and Government and hoped it would be convened during 1972, as early as possible and after it has been fully prepared in relation to the Community's development goals. One must also consider the Economic and Monetary Union and definition of the prospects before the Community both on the plane of internal organization and external relations and responsibilities".

During an informatory meeting the following day, the representatives of the four applicant countries were advised of the debates and invited to share in the Summit. The applicant countries agreed to holding the Conference and to its aims. Some of them, however, expressed the wish to share in a conference when the enlargement had been accomplished and in any case to take part in preparing it. The Six acknowledged their wishes.

After this meeting of Ministers, the Chairman, Mr Moro, Italian Minister for Foreign Affairs, sent the following message to the Commission on 20 December 1971: "During the political discussion between the Six Foreign Ministers of the Community on 5 November 1971 in Rome, it was agreed that the EEC Commission should be associated with the proposed Summit and its preparation on the same terms that it was associated with the Summit Conference at The Hague on 1 and 2 December 1969".

On 8 February 1971 when presenting to Parliament the Fifth General Report on the Activities of the Community for 1971 and the Commission's Action Programme for 1972, President Malfatti devoted much of his review to the Summit Conference: "The Summit will allow us to lay down the main lines for strengthening the institutions which the Community of Ten will have to follow. The exceptional period which we are passing through demands top-level proof of political resolve.

I think that the Summit must in no way replace the Community institutions. On the basis of the major options now facing us, it must provide the necessary guidelines and a medium-term policy which can be carried out by the Community institutions. The three major issues which the Summit must tackle are: a bolder advance on Economic and Monetary Union and the common policies, the Community's role in the world *vis-à-vis* the East, the West and the developing countries, and strengthening the institutions in the enlarged Community.

As I have said on another occasion, the Commission intends to make a maximum contribution to the Summit preparation...

Regarding the Problems on the agenda, I should like to make it quite clear that decisions on the Commission's proposals for the new boost to the Economic and Monetary Union must be brought in before the Summit... The Summit will have to define the institutional framework which will allow us to move swiftly and surely towards Economic and Monetary Union. I have already told your Political Committee a few days ago that the Commission is now studying the contribution it intends to make to prepare for the Summit. The Commission is inspired by the concern to maintain and strengthen the originality and balance of the institutions since we are convinced that if the institutions cannot advance the construction of Europe without political resolve by the Member States, this resolve will not yield practical results without adequate Community institutions. I can assure you that the work we are doing on these basic problems is already well advanced.

So this is the dual task facing us in this year of transition and deliberation: to create the conditions allowing the Summit of Heads of State and Government to give the enlarged Community a programme and a strengthened institutional framework".

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In his first press conference as President of the Commission, Mr Mansholt stressed the value of the Summit which will be the highlight of his nine

months Presidency . The Heads of State or Government are vested with limitless "institutional powers" allowing them to lay down the guidelines for the unification of Europe. "We must think about the issues over which the Treaty of Rome did not in practice work without friction. We must also look to the future for we are entering a new phase with problems arising which overflow the framework of the Rome Treaty", declared Mr Mansholt.

In his statement to the European Parliament on 19 April 1972, President Mansholt dealt at length with the question of preparation.¹

Replying to a written question from Mr Vredeling,² M.P. (Socialist Group, The Netherlands), the Commission clarified its position concerning the Summit.

Mr Vredeling had asked the following question:

"1. Can the Commission confirm that the coming Conference of Member States and the applicant countries will be devoted to the following three main issues:

- (a) Economic and Monetary Union and social progress
- (b) Strengthening the institutions and the advance of policies
- (c) External relations of the Community and its world responsibility ?

2. Is the Conference prepared within the Council ?

3. Does the Commission feel it is timely to share in preparing each of the three issues quoted above ?

4. Has the Commission been asked to share in preparing them ? Will it also take part in the actual debates ?

5. Is the Commission satisfied with the way in which it has been associated with the Summit preparation ?

6. If the Commission cannot give a completely affirmative reply to the previous question, what other requirements does it lay down ?"

The Commission replied:

"1. The Commission confirms that the next Summit of Member States and the new Members will be devoted to examining these three general issues:

¹ See Bulletin 5-1972, Editorial.

² Written question No. 15/72, OJ C 62 of 14 June 1972.

- (a) Economic and Monetary Union and social progress.
- (b) Strengthening the institutions and progress on the political front.
- (c) The Community's external relations and its world responsibilities.

2. Since the Summit is to assemble all Members of the enlarged Community, it is not being prepared within the Council which presently numbers only six Members.

3. Bearing in mind the subjects for discussion, the Commission feels that it is both timely and necessary for it to be fully involved in preparing for the conference at each step in the procedure.

4. The Commission was invited to share in preparing the subjects under (a) and (c). It will also take part in the debates thereon.

Regarding the strengthening of institutions and the advance of policies—mentioned above under (b)—the Commission received from the Chairman of the Foreign Ministers Conference a Communication indicating that the Commission would be connected with the work on strengthening the institutions. But it is specified in the Communication that the Commission would not share in the deliberations when, over and above the strengthening of the institutions, the discussions bear on progress to be made elsewhere, especially in political cooperation, in carrying out the mandate given by the Heads of State or Government to the Ministers for Foreign Affairs.

5. In general, the Commission is satisfied with the way in which it has been connected with the preparation for the Summit except as regards the issues concerning progress in the political field. This means progress in the field of policy unification covered in Part Three of the Report which the Foreign Ministers had approved on 27 October 1970 in applying para. 15 of the Communiqué from The Hague. The Commission considers that since political unification and strengthening the institutions are already closely linked and that this has been acknowledged by the Foreign Ministers themselves in the above Report, the Commission should therefore be brought into the proceedings on this matter.

6. Apart from the observations in item 5 above, the Commission makes no other requirements.

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After the Foreign Ministers Conference of 5 November 1971, a series of Ministerial meetings between the Ten were held with a view to preparing the

Summit. Moreover the Summit has also been the subject of many talks between the political leaders of Member States and the incoming countries¹ sometimes provoking a crisis.

During Parliament's debate on the Summit Conference on 5 July 1972, Mr Westerterp, President-in-office of the Council, made the following review of preparations:²

"Up to now the preparations have been made entirely through the offices of the Foreign Ministers themselves. The first discussion between the Ten took place on 29 February and the ten Foreign Ministers then unanimously decided to put the following three matters on the agenda:

- (1) Economic and Monetary Union and social progress in the Community,
- (2) The Community's external relations and its world responsibilities,
- (3) Strengthening the Community's institutions and progress in the political field.

In my view, these three issues must be regarded as a balanced entity. On 29 February it was agreed that the Commission would take part in the preparatory talks in the same way as in the 1969 Summit. Such participation apparently only raises difficulties on one matter on the agenda, namely: progress in the political field. During the February meeting, the dates of 19 and 20 October 1972 had been chosen and at Minister Scheel's suggestion Paris had been selected as the location.

The Ministers were to do all they could to conclude the preliminary talks as far as possible before the Summer recess. The next meeting towards preparing the Summit, held on 20 March in Brussels, concentrated on the issue of the Community's external relations. All the Member States then emphasized the Community's responsibility towards the developing countries. The Commission pointed out that we should take care that the Community's internal development did not emerge as a protectionist attitude regarding those countries. Also discussed was the question of some alignment with the Eastern Bloc countries and the enlarged Community's outlook towards the United States and Japan.

¹ See information published every month by the Bulletin, Part 3, ("Day by Day") and in this issue, statements made by Mr Pompidou on 2 June on the visit of the Belgian Prime Minister and on 19 June during the visit of the Queen of the Netherlands, by Mr Harmel in the Belgian Chamber on 7 June, by Queen Juliana on 19 June during her visit to France and by Mr Thorn, President-in-office of the Council on 28 June 1972.

² During the March session of the European Parliament preparations for the Summit were first debated when Mr Gaston Thorn, Luxembourg's Minister for Foreign Affairs, reviewed the Council's activities. The debate covered the question of the Commission's connection with Summit preparations which was highlighted in the statements by Mr Malfatti, President of the Commission, and Mr Thorn (See Debate EP 148, p. 78).

At a further meeting in Luxembourg on 24 April the Economic and Monetary Union and social progress in the Community were debated.

As it turned out, very different problems were involved. The different way in which each of the Ten Ministers approached them makes it very hard to draw conclusions on the solutions recommended. But I would like to point out that it was unanimously agreed that the Summit anticipated for next October in Paris should give a new drive to developing the Economic and Monetary Union.

In Luxembourg on 26 and 27 May the questions of strengthening the Community institutions and progress in the political field were discussed. But before getting to grips with the problem, we had to know how far the European Communities would be allowed to share in the talks. The matter was discussed after a letter of protest had been received from Mr Mansholt, President of the Commission, in which he asked for the Commission to be allowed to share in all the preparatory stages. During the debate, it was decided that, in line with what had been agreed on 20 March, the Commission would be excluded from examining the problem of political progress but would be included in the discussion on strengthening the Community institutions. Concerning 'institutions' the delegations were able to discuss the timeliness of setting up a Political Secretariat, an issue which was dealt with by Mr Mansholt.

Regarding this item on the agenda, besides the President of the Commission, the Netherlands sent in a note which, as the Foreign Minister, Mr Schmelzer, intimated, must be looked upon as an attempt to enhance the effectiveness of decision-making in the Community and strengthen its democratic character. I reviewed last March in this House the main lines of this Dutch Memorandum.

On the visit to Paris in June of Mr Eyskens, the Belgian Prime Minister, and Mr Harmel, Minister for Foreign Affairs, President Pompidou said he was not prepared to convene a Summit in Paris if it was not to achieve firm results.

Other countries, including the Netherlands and Belgium, have also said openly that the Summit would be meaningless unless firm decisions are arrived at.

On 26 June in Luxembourg, Ministers concentrated on following up the preparation procedures.

It was agreed that before 10 July each country would submit some few issues backed with conclusions which might be drawn at the Summit. The different questions will be studied in Brussels by the Permanent Representatives of the Six and the Ambassadors of the four newcomers. The Dutch delegation will

then classify and summarize them and on 19 July the Ministers will investigate the possibility of reaching minimal agreement.

After this brief account of the Summit preparations, the House would doubtless like to know whether the Summit will actually take place. On my own responsibility, I would like to put forward one possible view. On the eve of the decisive Foreign Ministers' meeting to be held in Brussels on 19 July, it seems very hard to give an affirmative answer. Firstly, following the decision taken in Luxembourg on 26 June, we shall not know before 19 July the attitude of all ten governments on the issues proposed for debate and the solutions put forward.

Secondly, we have learned through the press the outcome of the talks in Bonn on 3 and 4 July between Chancellor Brandt and President Pompidou. If we can believe what we hear, the chances of the Summit taking place have increased in the view of the French and German Governments even though it is still impossible to pinpoint the date.

At this stage, I will simply say on behalf of the Dutch Government that Mr Schmelzer, Minister for Foreign Affairs, intends to carry out faithfully the brief assigned to him as Chairman of the preparatory meeting of 19 July next. As Chairman he will do everything he can to help the Foreign Ministers to take, within a fortnight, the wisest possible decision.

If the unexpected happened and the ten governments decided to postpone the date, already agreed, of the Summit—and here I must stress the need for unanimity since the decision to hold a Summit was unanimously taken by the ten Governments and the agenda also unanimously adopted—it would be because it is preferable not to hold it in October rather than let it end in failure.

A negative outcome would certainly be a great disappointment for Europe and the rest of the world. All the same, there is no reason to overdramatize the consequences.

But if, in view of the status of the preparatory work, the Foreign Ministers were able to take a positive decision on 19 July, I think all the Community institutions, the ten governments and public opinion should rejoice that despite the problems the European Community is demonstrating yet again that it is indeed the hub for the construction of Europe.

We must unify Europe to promote the prosperity and well-being of the peoples within the Community and raise the standard of living in the Third Countries and especially the Third World.

May I hope that the 'European' Europe of which one hears so much will possess genuinely European institutions allowing her to conduct a truly European policy which means much more than merely comparing the policies of the Member States. The European Summit, if it is confirmed in Brussels on 19 July, to be held in Paris in October will have to make a valid contribution and therefore it should be convened".

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During its session of 5 July, the European Parliament debated the Summit, "in order to ascertain Parliament's official position regarding the objectives to be reached by this new meeting of Heads of State or Government".

During this debate, the President of the Commission, Mr Sicco Mansholt, made the following statement reviewing the Commission's position over the Summit Conference:

"I think the Summit will be of immense value if it manages to concentrate on a few basic problems and define the priorities. Obviously it behoves us to help all those taking part. Undeniably our society is now developing at an astonishing rate. Our Community is itself adding to this by expanding its Membership from six to ten. The need for taking political decisions for the future is so imperative that governments, in organizing the Conference, can no longer wait for each country to become a full-fledged Member and make the necessary preparations. Indeed, the ten Governments had already decided to hold a Conference before it was certain that four countries would actually join the Community. This testifies to political resolve and that decisions are intended to be made and I feel we should be glad of it.

At the moment we are still not absolutely sure whether the Summit will be held or simply postponed. What would happen if we put it off ?

Let me explain the Commission's views. We feel that it is absolutely indispensable for the Conference to be held on the scheduled date and we see no grounds for delaying it. This does not mean that we think that all the problems must find a solution. I said before that priorities must be set. If we are not sufficiently together in our attitudes, even in fixing priorities, over the preparatory stage, then it would be better—and here I agree with President Pompidou—not to set up the Conference...

But I must add that I do not see any real risk here, and I think that, considering the preparation procedure which I will not dwell on since Mr Westerterp has reviewed it in detail, the Summit will take place. In any case, I hope that Goethe's line 'Über allen Gipfeln is Ruh, in allen Wipfeln spürest Du kaum einen Hauch' will not turn out to be true. We hope that the wind will blow

at the Summit, vigourously and towards meeting our Community's needs. What are the needs? The preparatory work is already answering the question. We are doing our utmost to help in solving the problems involved. We must also take care to avoid anything which might cause the slightest difficulty or block the view and strive to find the answers to these key questions.

What is all-important? What are the priorities? I think I can do no better than reiterate that what really matters, is for the Ten to accept what the Six agreed in the Hague. This means and I quote the French text, that: 'the irrevocability of the work accomplished by the Community, the importance of the political aims which give the Community its meaning and scope and the need to steer this venture to its conclusion is why the Community remains the seed from which European unity has taken root and flourished'.

These are the all-important conclusions from the Conference of the Six in The Hague. We ask that the Ten endorse them.

There is here a guiding principle for the future of our Community. I can demonstrate it. When one ponders the political future which will have to be made through what is called European political cooperation, we must keep our eyes on what was agreed at The Hague which must be binding for the four new Member States. We must not forget that this is a vital necessity.

What are the objectives which, in the Commission's view, must be kept in sight? What will determine our near future?

Firstly—and I quote the French text—: 'The intensification and diversification of Community action.' This implies many things. Secondly: 'The Community's world role and responsibilities.' Thirdly: 'Strengthening the Community institutions.'

These are the three basic issues on which the Conference should concentrate. Many other things will be sacrificed but we think these three are vital.

It is a question of knowing which Europe we want. Here there will surely be divergence of view between the Socialists, the Liberals, the UDR and the Christian Democrats. These views must be reconciled and therefore the Ministers will come together at the Summit. We must know what action to take and whether we are prepared to take it.

The Commission's final view is that we shall be grossly failing in our duty if we do not succeed in the next months, for time is short, in defining the political guidelines. This means that deferring the Summit would only hold up the decisions for the problems would still be there. The Commission feels there can be no question of a postponement.

Today, tomorrow and Friday the Commission is putting the finishing touches to the proposals which we will lay before the Conference. These proposals will naturally consider Parliament's opinion. This opinion will arrive just in time about three days before we must make our final decision and submit our proposals. But we must do more. We must make new commitments. The question I want to ask is this: Are we prepared to do something if the developing countries tell us that they want to export more commodities, industrial raw materials and agricultural produce? Would we agree then to generalize the preferences?

We are prepared to conclude agreements in commodities. But the major question asked at Santiago which the British describe by the phrase 'excess of the market' is whether the commodity agreements will be really enough. To some extent the developing countries are right to ask themselves this. If a commodity agreement merely means that the developing countries will not have to import these products anymore, then the agreement has no interest for us. We must therefore know whether we are really prepared to conclude this agreement and then to adapt our own production by specifying our consumption. If we wish to import more then our production will suffer. It was easy to say in Santiago that we would do more, but we should still know what we will do in the Community. The question therefore is whether we are prepared to bear this responsibility by using our political devices, such as the Social Fund, and other industrial production with all the problems which that implies.

It would have been useful at the time to lean on a political statement confirming our readiness in this rich area of the world to solve some social and economic difficulties by financing, by social aid, by the EAGGF, so as to make possible the conclusion of a commodity agreement, authorizing increased imports from these countries. Obviously that would have simplified matters considerably.

Are we prepared to apply certain percentages for industrial products (and this would mean a key political decision), taking the percentages quoted by Mr McNamara; namely, an increase in imports of finished products of 15% per year? It could be done. After 15 years, it would come out at about 7% of our total imports. A clear statement in this direction would make headline news for the press of the developing countries. It would be a very precise commitment. But I doubt whether Para. 15 of the Resolution will make the headlines in Africa and the Far East. I doubt it.

These reflections have led the Commission to ask what political decision should be taken at the Summit. Anyhow, I hope that we can bring the governments to something more solid than the mere announcement of a plan. The Com-

munity's new task implies action for which the resources offered by the Rome Treaty are inadequate. Society is developing rapidly. The Treaty dates from 1958. It will have to be modified. New prospects are opening up.

New problems are looming up. We hope the Summit will make a firm decision pointed in one direction and which will deem applicable the opportunities offered by the Treaty regarding financing and the Commission's right to submit proposals, the discussion of same by Parliament, the Council's decisions, the regional problems and the environment problems, etc. One can also think of industrial policy, research, technology and so on. The Commission considers that here the Summit Conference must make a political commitment. It must make the Community institutions responsible for achieving all this in 1973, as an application of Arts. 235 and 236.

I am now coming to the crux of the problem. The Summit can take many decisions, but there must be a clear notion of how the intended solutions will be applied so that they may be fully backed up. We must be forearmed against the problems cropping up in our society. Certainly the massive expansion of the Economic Union linked with monetary stability will be a very helpful factor in increasing production and consumption. The companies will take care to make the most of these chances and we shall, too.

But we also know that some things are posing major problems, particularly due to the swift growth of world population and the rapid increase in power and raw material consumption in Europe. One of us takes the optimistic view and the other is more pessimistic. I am rather pessimistic because I cannot see how we can solve the problem at international level. When I think it has taken us twelve years to achieve something together in agricultural policy, that it may take fifteen years before there is economic and monetary union, whilst we are once more threatened with a monetary crisis, my heart sinks when I ponder on the problems in our society and which must be solved internationally. We do not yet possess any competent international authority. What was done in Stockholm has really no practical existence. For the next five years a kind of study club has been organized and that is all.

There is a task here for Europe. She possesses institutions which will be vested with the necessary authority if the Summit decides to do so. This authority must be used to conduct a meaningful Community policy and under these conditions much can be done.

Of course, I am not talking now of whether there must be growth or not of the economy. We shall see about that. But I do insist that Europe, both in its relations with the Third World and the setting up of institutions with new and broader powers, must assert her personality and shoulder her responsibilities.

This leads me logically to the institutions.

The Commission will lay very precise proposals before the Conference. We support many of the paragraphs of the Resolution proposal, especially those covering decision-making, institutional problems, better balance between the institutions and the working scope.

It may also be thought necessary to strive for possible solutions to the very difficult problems of the relationship between the decision agency, namely the Council, the institution responsible for making the proposals and which is partly delegated to carry out the decisions, namely the Commission and the future legislative institution, namely Parliament. But naturally this is not feasible. We have come to the conclusion that all we can expect from the Conference are some clear decisions on what must be done and the goals to be reached. We must leave it to the Community institutions to define the way in which the decisions are to be implemented. If the Treaty must be modified, then the national parliaments will have to settle that.

I say this because during the discussions up to now between the Commission, the Office and the Political Committee of Parliament, the question was asked as to what proposals we hope to submit to the Conference on certain specific issues. Of course we have our own opinions but I think it would be a mistake to put forward too broad solutions. The issues to be dealt with are indeed very varied both technically and politically. The solutions brought in may have appreciable financial consequences. We must define various procedures for governing the relationship between Parliament and the Council. All this will have to be perfected.

But there is one question over which we are hoping for a clear pronouncement. We think, and here we agree with Parliament, that it is absolutely necessary, regarding the running of the present institutions, to take certain practical measures which do not call for modification of the Treaty. This can be done now in application of the Treaty.

One item has given rise to general discussion here and that is the question raised in Para. 8 which covers the discussion procedure on which an agreement was made in Luxembourg; namely, the unanimity rule for the Council. The Commission has its own opinion about this. We think it far more preferable for the Treaty to be applied normally but without mincing words that for the moment is a vain hope. Indeed, it has been agreed otherwise.

I want to sound a warning note. I fully understand that some of you would like to delete the second sentence. In fact, to talk in the Resolution proposal of derogating the Treaty is to some extent to legalize this derogation. The Commission has also faced this issue. In its proposal the Commission did not specify that unanimity was required to take decisions over problems of vital interest to a Member State.

Obviously, this is not enough to solve the problem. The Commission feels that we should not complicate the task of the Conference by bringing up this question. It would of course be nice to know that the Summit will take a decision in the direction Parliament wishes, but there is no question of it. The four future Members would scarcely like to see the present situation modified. At the time of Accession, the four new Members officially recognized the unanimity rule which had been agreed. There is no question of putting this issue on the agenda of the Summit. There would be no agreement anyhow. I have already said that we must avoid creating fresh difficulties which would involve deferring decisions which must be made now.

It is not on a matter of principle but in view of practical considerations and its untimeliness that the question cannot be put on the Conference agenda. In my view, the sentence in Para. 8 which says 'the decision procedure involving the Commission, the Council and Parliament should be radically improved, especially as regards the procedures within the Council' only vaguely locates the problem. If I am wrong, I should be glad to know where. All the same, the problem remains with us.

What matters is for us to move forward from now until 1980 towards the achievement of an Economic Union. The final stage will be an Economic and Monetary Union with the hopeful expectancy that the Political Union materializes. But for the moment, we will not talk about that. Over this period until 1980, as we progress towards the Economic Union, we must take decisions for vesting the European Parliament with real legislative powers. The Summit must set up a precise timetable and set the deadlines for organizing elections by direct universal suffrage and for opening a Parliament directly elected.

This is how the Commission intends to submit proposals to the Conference. I think it largely meets the demands of the Resolution proposal, subject to a few observations and some scepticism over certain items. In sum, we approve this Resolution proposal".

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After this debate on the basis of a Report by Mr Muller (Christian Democrat Group, Germany) for the Political Commission, Parliament passed the following Resolution "on the next Summit Conference of Heads of State and Government of the Member States of the European Community":

"The European Parliament:

- (i) With reference to the previous Summit Conference of the Six held in The Hague on December 1969 on the initiative of the President of the French Republic and which may be considered a success; recalling that

this Summit Conference was instrumental in perfecting, intensifying, and enlarging the Community and that it reaffirmed the final aims of the construction of Europe and that it outlined the major political options for Europe;

- (ii) Convinced that based on the results of The Hague Conference, the enlarged Community must discharge its responsibilities in the world, that its authority must be amplified and its institutional structure adapted;
- (iii) Finding that the European Community faces major events and developments, such as:
 - (a) Enlargement, after the Accession of Great Britain, Denmark, Norway and Ireland,
 - (b) Realization by stages of the Economic and Monetary Union,
 - (c) Progressive development of Political Union,
 - (d) The results of introducing a system of own resources from 1975.
- (iv) Inviting the Heads of State and Government to take their inspiration from these basic concepts:
 - (a) The European Community must stimulate awareness of joint political membership in all of its 260 million citizens for whom the aim must be maximum freedom and equality of opportunity especially for the underfavoured groups;
 - (b) The European Community, one of the major economic and trade powers in the world, must bear its share of responsibility towards the peoples of the Third World and must do its utmost to close the distressing gulf between the rich and the poor countries;
 - (c) The European Community must, by joint action, strive to improve the quality of life and with this aim in mind take all necessary steps to protect the environment in its widest possible sense;
 - (d) The European Community must recognize in the concern and uneasiness of the younger generation, following many failures in the above-mentioned three spheres, a token of commitment and fellowship towards the weak, a token which must be regarded positively. This manifestation must be turned into a fitting and conscious participation by the young in the development of the Community, this being the only way for youth to be identified with the Community's goals and to pursue them.

1. Is consequently of the opinion that the time has come to hold a new Summit Conference of Heads of State or Government to include the Ten and

expects this Conference to give a decisive drive to the dynamic development of the European Community.

2. Appeals to the Member States' Governments to remove any obstacles to the holding of this Conference, whose thorough preparation must guarantee success.

I. The Realization of Economic and Monetary Union

3. The Heads of State and Government are asked to confirm to the Ten their resolve to achieve Economic and Monetary Union, in the stages scheduled, in the Council Resolution of 21 March 1971 and to accelerate it as far as possible. This achievement represents the priority goal to be reached in founding the economic independence of Europe with no sense of autarchy, and allow her to remain mistress of her destiny.

4. The mechanisms needed to run the Economic and Monetary Union must be judicially fitted into the existing Community institutions so as to avoid the creation of duplicate decision structures.

5. It must be arranged in such a way that in the negotiations for reorganizing the world monetary system, the Community is there as an entity and fully able to negotiate.

6. The realization of Economic and Monetary Union must be accompanied by the activation of the Community policies, social policy, employment policy, short-term economic policy, industrial policy, transport policy and regional policy.

II. Improving the Balance between the Institutions and their Working Capacity

7. Parliament will soon have to be afforded greater participation in the Community's legislation.

To this end, the following should be provided for:

- (i) The obligation of reapplication to Parliament when the Council rejects its Opinion ('second reading');
- (ii) Suspension following Parliament's rejection of a proposal (for instance, in the case of two successive rejections by Parliament, a project would be held in abeyance for at least six months);

- (iii) Introduction of a right of co-decision for Parliament in the conclusion of international agreements, admission of new Members, modification of the Treaties, application of Art. 235 of the EEC Treaty, adoption of Regulations having a financial effect;
- (iv) The co-decision of Parliament to be eventually mandatory, adoption of the normal Community acts thus requiring Parliament's agreement;
- (v) Strengthening of Parliament's budgetary powers when the final phase is reached; namely, from 1 January 1975, in compliance with the requests made by Parliament in 1970.

8. The request made by Parliament in 1960 and several times insistently reiterated, concerning the election of Members by universal suffrage as under Art. 138, para. 3 of the EEC Treaty, still applies. The quest for solutions to remove the practical and political obstacles which till now have hampered application of this measure, must immediately be undertaken and resolutely carried out.

Amplification of Parliament's authority is quite distinct from its direct election and cannot be deferred until application of the latter.

9. There should be a radical improvement in the decision procedure between the Commission, the Council and the Parliament, especially as regards the procedures within the Council, respecting the letter and the spirit of the Treaties including the Accession Treaty.

10. On its transition into the second stage, the Economic and Monetary Union will move towards a political Community. For the modifications to the Treaty which must be decided by the Member States for the period beginning in 1975, the Summit Conference should lay down the basic guidelines and offer a plan by stages which defines the timing and content of those stages.

The Community should be made up of the following institutions:

- (i) A single decision agency which can take decisions binding for all Member States and which consequently must act as a European Government. This Government must draft and implement the policies deriving from the Community's authority by virtue of the revised Treaty.
- (ii) In the spirit of democratic recognition, this Government must be matched by a European Parliament vested with proper Parliamentary authority.
- (iii) The President and Members of the European Government are appointed at the beginning of the legislative period by a Conference of Heads of State or Government. If a new President has to be appointed the Conference will meet during the legislative period.

- (iv) The European Parliament must be associated with the investiture of the Government.
- (v) The obligatory participation of Member States in the Community decision process is made within a States Chamber sharing with Parliament legislative and controlling rights, under a procedure to be formulated.

11. From now, political cooperation must be strengthened with the view of bringing out a common external policy for all Members of the enlarged Community. If certain protocols are needed they should be designed in close liaison with the Community institutions.

12. Parliament expects an official position from the Summit Conference on the final installation of the Community institutions.

III. *The Community in the World*

13. The nations seeking peace, security and solidarity expect that the Europe of Ten will take a place in the world befitting her enlarged scope and responsibilities.

14. Europe's collaboration with the other industrial powers must be geared to this coming European identity. Relations between them must be clarified and improved through Conferences on world trade, customs disarmament and the world monetary system. Europe will here support the interests and needs of the Third World.

15. On the basis of coordinated Member States' policies, the Summit must promote relations between the enlarged Europe and the eastern states. The Community, within its authority and responsibility, must take part in the coming conference on European cooperation and security. The Community's success here will depend on how she can speak with a single voice.

16. Now that the enlarged Community is intending to reaffirm the motives of its European action and fix the firm objectives which the Europe of Ten is to take up in the coming years, the Community must, by exploiting its assets in regional aid, set up an ambitious long-term project for a new kind of relationship with the southern hemisphere countries. At the political level and in line with the decisions taken for the 2nd UNO Development Decade, a global European strategy should be set up for aid to the developing countries. As for the Economic and Monetary Union and the problems of its internal growth, the Community should fix, at the Summit, a Community objective with its stages of attainment.

17. Parliament expects that the Commission of the EEC will fully endorse these claims at the Summit Conference.

18. Parliament delegates its President to transmit this Resolution to the Governments sharing in the coming Conference, to the Council and to the Commission of the European Communities”.