

INFORMATION

POLITICAL AFFAIRS

After the European Summit of October 19 and 20 :
ACTION PROGRAMME FOR THE ENLARGED COMMUNITY.

32/72

The European Summit Conference was held in Paris on October 19 and 20, on the initiative of the President of the French Republic. It was a meeting of the heads of State, or the government, of the nine countries which will, after January 1, 1973, constitute the enlarged European Community.

The purpose of these Summit meetings -- the previous one was held in the Hague on December 1 and 2, 1969 -- is to lay down jointly, with a certain formality, the new lines of activity which are to mark the progress of the Community in the years ahead, and to fix a timetable for future decisions.

The Summit of October 1972, like its predecessor, drew up a working plan on problems which were by no means unknown. They had in fact been examined in the past, in communications by the Commission and in studies made by the Council.

The meeting of heads of State and governments, however, made it possible to define the objectives to be attained, to fix the urgent deadlines and entrust the institutions of the Community with tasks which, in many cases, were still matters for the national authorities. The objectives are now better defined, the procedures for their attainment are at hand, and the powers of the Community have been extended into new fields.

The nine countries also gave the new Community a lead into the human and social fields, stating that "expansion is not an end in itself", and that it must "make it possible to mitigate the differences in living conditions." They were thus responding to the appeal of M. Pompidou when he said : "Europe must not be just a community of traders".

Finally, it is now on record that the Economic and Monetary Union, decided upon at the Hague Conference, is supported by the new members of the

Community; and that, by unanimous agreement, the nine governments agree that this union can, and must, be achieved in its entirety, with the establishment of a common currency, by 1980.

Moreover, the communiqué after the conference ends with a glance into the future, going beyond the economic and monetary questions. The final resolution fixes "as a major objective" for the nine countries, the transformation before the end of the present decade "of the whole complex of the relations of the member countries into a European union."

A - MONETARY POLICY

The communiqué of the Paris Summit states :

"The necessary decisions should be taken in the course of 1973, to allow the transition to the second stage of economic and monetary union on January 1, 1974 and with a view to its completion not later than December 31, 1980".

The heads of State and governments decided :

- a) that a European Fund for monetary cooperation shall be set up not later than April 1, 1973 ;
- b) that "fixed but adjustable currency parities" shall be maintained and "defence and mutual support mechanisms shall be set up which will enable member States to ensure they are respected" ;
- c) that two reports be prepared :
 - not later than September 30, 1973 on "the adjustment of short-term support "
 - and not later than December 31, 1973 on "conditions for a progressive pooling of reserves"

B - INTERNATIONAL MONETARY SYSTEM

The heads of State and governments consider the monetary system should be based on the following principles :

- fixed but adjustable parities ;
- general convertibility of currencies ;
- effective international regulation of liquidity ;
- reduction in the role of national currencies as reserve instruments ;
- the effective and equitable functioning of the adjustment process ;
- equality of rights and duties for all participants in the system ;
- lessening of the unstabilising effects of short-term capital movements ;
- the taking into account of the interests of developing countries.

C - ECONOMIC POLICY

The heads of State and ~~the~~ governments decided

- to adopt, at the enlarged meeting of the Council on October 30 and 31, 1972, precise measures against inflation, "in the various fields which lend themselves to effective and realistic short-term action taking account of the respective situations of the countries of the enlarged Community".

The heads of State and governments insisted

- upon the necessity for closer coordination of the economic policies of the Community and, for this purpose, on the introduction of more effective Community procedures".

D - REGIONAL POLICY

The heads of State and governments undertook

- "to coordinate their regional policies"

They invite the Community institutions

- "to form a regional development fund, which is to be set up before December 31, 1973;"
- This Fund will serve to correct the principal regional imbalances in the enlarged Community, and particularly those resulting from the preponderance of agriculture and from industrial change and structural under-employment.

E - SOCIAL POLICY

The heads of State and governments asked the Community institutions

to draw up, before January 1, 1974, an action programme covering, especially, the following fields :

- working conditions and conditions of life ;
- vocational training ;
- cooperation of workers in the organs of firms ;
- european collective agreements ;
- consumer protection.

F - INDUSTRIAL TECHNOLOGY and SCIENTIFIC POLICY

The heads of State and governments asked the Community institutions to put forward a programme of industrial technology and scientific policy containing a timetable. This should be ready not later than January 1, 1974.

The programme should include :

- elimination of technical barriers to trade, especially in the fiscal and legal fields ;
- form and status of the european company ;
- the opening up of public purchasing markets ;
- the promotion of firms in the field of high technology ;
- the conversion of declining industries ;
- measures to ensure that mergers are in harmony with the economic and social objectives of the Community ;
- the maintenance of fair competition ;
- the definition of common targets in science and technology.

G - ENVIRONMENT

The heads of State and governments asked the Community institutions to prepare not later than July 31, 1973 an action programme on environment questions with a precise timetable.

H - ENERGY

The heads of State and governments asked the Community institutions to formulate as soon as possible an energy policy which will guarantee sure and lasting supplies under satisfactory economic conditions.

I - DEVELOPMENT AID

The heads of State and governments asked the Community institutions

to study from the beginning of 1973 "an increase in the volume of public financial aid" to developing countries, and "the improvement in the financial terms on which this aid is given", particularly for the poorer countries. "These questions will be the subject of decisions during 1973".

The Community "attaches essential importance to the policy of association as confirmed in the Treaty of Accession, and to the fulfilment of its commitments to the countries of the Mediterranean basin with which agreements have been, or will be, concluded, and the approach to which should be of an inclusive and balanced character".

An overall policy of development cooperation must, in particular, include commercial agreements concerning basic products and a regular growth in the purchases of industrial goods from the countries which benefit from generalised preferences.

J - TRADE WITH INDUSTRIAL COUNTRIES

The heads of State and governments asked the Community institutions

to define, not later than July 1, 1973, a general concept with a view to the multi-lateral negotiations on world trade scheduled to take place in GATT.

They hope it will be possible for these negotiations to be concluded in 1975.

The Community has decided -- "to contribute, while respecting what has been achieved by the Community, to a progressive liberation of international trade by measures based on reciprocity and relating to both tariff and non-tariff obstacles ;

- to sustain a constructive dialogue with the United States, Japan, Canada and other industrialised trade partners in an open spirit, and using the most appropriate forms".

K - TRADE WITH EAST EUROPEAN COUNTRIES

the heads of State and governments declare themselves resolved

to promote a policy of cooperation founded on reciprocity with the countries of Eastern Europe.

They intend, as from January 1, 1973, to follow a common commercial policy in regard to these countries.

L - POLITICAL COOPERATION

The heads of State and governments have decided

- to increase the number of meetings of the Ministers of Foreign Affairs from 2 per annum to 4 per annum ;
- to prepare before June 30, 1973 " a second report on methods of improving political cooperation as specified in the Luxembourg report" ;
- to keep close contact with the institutions of the Community in relation to matters which have an impact on Community activities.

M - STRENGTHENING OF INSTITUTIONS

The heads of State and governments asked the Community institutions and, as appropriate, the representatives of the governments

to prepare, before the end of the first stage of the Economic and Monetary Union, on the basis of the report which the Commission is to submit before May 1, 1973, in conformity with the resolution of March 22, 1971, the measures relating to the distribution of competences and responsibilities among the Community institutions and the member States, which are necessary to the proper functioning of an economic and monetary union".

Among these measures are

- "the strengthening of the powers of control of the European Parliamentary Assembly" ;
- the improvement by the Council before June 30, 1973, of its decision-making procedures and the coherence of Community action.

N - EUROPEAN UNION

"The heads of State and governments, having set themselves the major objective of transforming before the end of the present decade, and with due respect to treaties already signed, the whole of the relations of member States into a European Union, invite the Community institutions to draw up a report on this subject before the end of 1975, for submission to a further Summit Conference".