

MEMORANDUM FROM THE PRESIDENT

INTRODUCTION

We thought it would be useful to highlight the most important issues raised in the outline papers and summaries forwarded to all the delegations, and to list briefly the points which warrant more detailed study in the three months leading up to the European Summit Conference.

It seems that these points can best be examined by a number of Working Parties: a first ad hoc Working Party would deal with the issues involved in Topic No 1, i.e. "Economic and monetary union and social progress in the Community." A second ad hoc Working Party would examine the Community's external relations, while a third ad hoc Working Party would be more specifically responsible for considering matters relating to the strengthening of the Community's institutions.

As to the subject of "political progress", we believe it is preferable for the Political Committee to be instructed to give initial consideration to this matter and indicate to the Ministers items which could be dealt with at the Summit; the Ministers will then select appropriate items and decide how they can best be prepared more thoroughly.

In regard to the membership of the three ad hoc Working Parties, we suggest that each delegation should consist of two senior officials; the Ministers would decide in each individual case which officials they wish to appoint to a particular Working Party.

The Commission will of course also take part in the deliberations of the three ad hoc Working Parties.

TOPIC N° I : Economic and monetary union and social progress
in the Community

General observations

The Finance Ministers will today be considering the report prepared by the Monetary Committee on the aims, structure and operation of a European Monetary Cooperation Fund.

The Finance Ministers should aim to complete their current work before the Summit. They should in particular try to make an initial examination, before the summer recess, of the report which was requested for 30 June and to complete examination of this report before the Summit; the decisions which would normally have been taken in December 1972 must of course be reached at the Summit Conference itself.

To facilitate coordination, the Rome meeting on 11 and 12 September should take the form of a joint meeting of the Ministers of Foreign Affairs and Finance.

Points to be studied by the first ad hoc Working Party

The general considerations which might be set down in a statement to be adopted by the Summit Conference could centre on two matters:

- priority to be given to completion of the economic and monetary union;
- parallel progress as between the economic and monetary spheres.

(Page 4, para. one).

In the light of the work of the Finance Ministers, the ad hoc Working Party should examine the following problems:

1. Elimination of margins of fluctuation between the currencies of Community countries
2. Creation of a European Reserve Fund
3. Reform of the international monetary system (including dollar convertibility, special drawing rights and the role of gold)
4. Institutional problems concerning the economic and monetary union.

(Pages 5 to 7)

The problem of coordination of economic policies should be examined by the ad hoc Working Party, which would be assisted by the Working Party on the Coordination of Short-term Economic and Financial Policies.

(Page 8)

In regard to the Community's industrial policy, i.e. the harmonization of industrial policies, the ad hoc Working Party should draw up proposals on the basis of the memoranda submitted by the French and by the Commission, with particular reference to advanced technology, the proposals for a European company, plurinational companies and tax harmonisation.

(Page 10)

The ad hoc Working Party should examine regional and structural policy on the basis of the Commission's memorandum and the Resolution of 20 March 1972, with particular reference to cooperation between Member States on regional policy and participation by

the Community in practical action, using its own resources.

(Page 11)

We believe that the problem of the environment is not yet ripe for consideration. In the final statement issued at the Summit, the Heads of State or Government might perhaps entrust the Council or Commission with a specific mandate in this area.

(Page 12)

In regard to cultural cooperation, the Italian delegation, which seemed particularly interested in this matter, could if it so wishes present a more detailed working document.

(Page 13)

On the basis of the work done by the Ministers of Social Affairs and in the light of the provisions of Article 117 of the Treaty, the Permanent Representatives Committee (COREPER) could examine proposals put forward with a view to picking out the more important points, and could report to the Ministers by September.

(Pages 14 and 15)

In the same context, the COREPER could be asked to prepare a general statement relating to closer cooperation with both sides of industry; it could be assisted for this purpose by the Economic and Social Committee.

(Page 11 of the outline paper on strengthening the institutions)

.../...

THEME NO. 2 : The Community's external relations and its responsibilities in the world (see second outline paper)

The ad hoc Working Party should try to define the "identity" or "personality" of Europe and specify, in so far as this is possible, the form which solidarity between the Community and the free world should take.

(Page 2)

In regard to relations between the Community and the industrialized countries, the ad hoc Working Party should examine the problems of global negotiations and the creation of an instrument for a dialogue, with particular reference to its relations with the United States.

(Pages 5 to 7)

The ad hoc Working Party should also examine relations between the Community and the Eastern bloc countries.

(Pages 9 and 10)

General note on relations with the Eastern bloc countries

The problem of the Community's participation in a European Security Conference is already being examined by the Political Committee. This matter should not form part of the actual preparations for the Summit, but the Ministers will be obliged to take a decision on it in due course.

In regard to relations between the Community and the developing countries, apart from examination of this problem by the ad hoc Working Party, a meeting of the Ministers should be arranged to examine the Commission's memorandum and a further memorandum which the Commission should submit as a matter of urgency on UNCTAD III.

TOPIC No. 3 : A - Strengthening of the institutions

There seems to be general agreement that the progress now possible should be achieved without touching the Treaties. A project as ambitious as that of revising the Treaties could not be carried out until the enlarged Community had had a period of running in. The Summit could however fix a date for such a project.

(Page 4)

The Summit should put on record the agreement which appears to exist on a more systematic use of Article 235 of the EEC Treaty and the possible courses of action which this Article offers.

(Pages 6 and 7)

There could be a general statement concerning increased cooperation with both sides of industry within the existing bodies.

(Page 11)

Improvement of the Council's operation and composition:

The ad hoc Working Party should examine the proposals which have been made, in order to select those on which progress is now possible and to suggest solutions.

.../...

On the basis of a report to be submitted to the Ministers for their meeting in September, the latter would give additional directives.

(Pages 12 to 18)

Operation and composition of the Commission:

The same Working Party should examine the proposals put forward on pages 20 and 21 (length of the term of office of the President and the Vice-Presidents of the Commission, changes in its operation, appointments and composition).

(Pages 20 and 21)

The same procedure could be followed for the proposals concerning the European Parliamentary Assembly.

(Pages 23 to 28)

B - Progress in the political field

The Political Committee could be instructed to prepare a statement of principles similar to the statement made at the Bonn Summit, the object of which would be to give substance to the will to form a political union which is implicit in the Treaties. It would also be necessary to reaffirm and specify the task which the Summit at The Hague has already given the Ministers of Foreign Affairs, which was to examine possible further progress in the field of political unification.

(Page 2, paragraph 5 and Page 3)

.../...

The Political Committee could also prepare a statement which would give a better definition of the form and the objective of political co-operation, and also of its place in Community activity as a whole.

(Page 4)

The Summit could confine itself to giving the Ministers of Foreign Affairs a mandate to work out a political and juridical model for further institutional developments.

(Pages 5 to 10)

The Political Committee could be instructed to study ways of improving the operation of political co-operation, and the problem of its infrastructure.

(Pages 11 to 14)

.../...

General considerations

Timetable of work

The Working Parties should be able to make an interim report to the meeting which the Ministers are to hold in July. July should also be the deadline for the various delegations to submit new working documents.

The Working Parties should submit their reports for the Ministerial meeting on 11 September. At this meeting the reports on "External Relations" and "Economic and Monetary Union" should be examined in depth, the latter together with the Ministers of Finance.

As regards "Strengthening of the Institutions and Political Progress", the Ministers should, at their September meeting, make the final choice of the subjects to be discussed at the Summit.

A very restricted meeting should now be arranged for October, the date to be fixed with regard to the obligations imposed on the Ministers of Finance by the General Assembly of the International Monetary Fund.

.../...

At their various meetings in July, September and perhaps October, the Ministers should examine the whole situation and decide, on the basis of the results obtained, which subjects would be worth discussing and which others should not be discussed at the Summit.

It seems to us, in fact, that in the exchanges of views which have taken place between March and July, the various delegations have mentioned every subject of interest to the Community, but not all of them can be discussed at the level of Heads of State or of Government.

We think therefore that part of the preparations for the Summit could usefully be given to special meetings of the Council of Ministers.

The Summit would discuss in depth a very restricted number of subjects, of which it seems that economic and monetary union should be given priority. Certain other subjects could be mentioned in the final communiqué, and the Ministers could be given a mandate to discuss these subjects. We should repeat here a suggestion, made a few months ago, that a special meeting of the Ministers should be held, lasting several days, to deal with the important problems still in abeyance. We should perhaps even take up the idea of two special meetings of the Council, the first "à Six" at the end of 1972 to deal with relatively old problems, and a further Ministerial meeting "à Dix" at the beginning of 1973, it being understood that this meeting would deal rather with more recent problems and those affecting the future of the enlarged Community.
