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SECRET

PREPARATION OF THE CONFERENCE  
OF HEADS OF STATE OR OF GOVERNMENT

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REPORT

by the Ministers of Foreign Affairs (1)

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(1) drawn up at Frascati and completed subsequent to the Ministerial Meeting on 12 September 1972.

## I.

It has been envisaged that the Conference of Heads of State or of Government adopt a statement in general terms; naturally the content and wording of this can be finally decided only in the light of the decisions to be taken by the Summit Conference, but it could comprise the following elements.

At a particularly decisive moment in the development of European construction, on the eve of the enlargement of the Community, it seems desirable for the Heads of State or of Government of the nine States which as from 1 January 1973 will form this enlarged Community, to manifest their will to put through and extend the commitments undertaken at The Hague Conference in December 1969 and to confirm in particular:

- (i) the irreversible nature of the work accomplished by the Communities,
- (ii) the importance of the political ends which give the Community its full meaning and entire scope,
- (iii) the fact that the Community remains the original nucleus from which European unity blossomed forth and has continued to develop, and
- (iv) the need to conduct this enterprise to a successful outcome.

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This declaration could also express the will to confirm and to define the Community's personality in order to enable it to contribute, in keeping with its responsibilities, to:

- (i) the preservation of peace, keeping faith with alliances and friendships of Member States,
- (ii) the progressive elimination of underdevelopment,
- (iii) improving living conditions and the quality of life in economic, social and ecological terms,
- (iv) the progressive development of international trade through a common commercial policy,
- (v) the development of social progress, and
- (vi) an increase in cultural co-operation by further developing forms of action already embarked upon, above all those more particularly concerning education and young people.

To enable the Community to acquit itself of these responsibilities to enhance its own personality and to play the role which must fall to it, efforts will have to be made to intensify and consolidate its cohesion, democratic character and efficacy.

To attain these ends and at this stage of development of European construction, the Summit Conference ought to decide to deal more particularly with the following three major issues, which form a cohesive whole:

.../...

- (i) economic and monetary union and social progress,
- (ii) institutional consolidation and progress in the political sphere,
- (iii) external relations and the Community's responsibilities in the world.

## II.

With regard to these three major issues, the following points seem particularly likely to hold the attention of the Conference, with a view to their inclusion in a final communiqué, to form the subject of either: —

- (i) confirmation of commitments already undertaken and to be honoured,
- (ii) decisions concerning new and specific commitments to be taken,
- (iii) objectives to be established, or
- (iv) general guidelines to be defined.

A. ECONOMIC AND MONETARY UNION AND SOCIAL PROGRESS

1. The Conference will reaffirm the political will of the present and future Member States of the European Economic Community to achieve economic and monetary union, by confirming all aspects of the acts adopted by the Council and by the Representatives of the Member States on 22 March 1971 and 21 March 1972.

The Community institutions are invited to take, during 1973, in accordance with the provisions of the abovementioned acts, the decisions necessary for the transition to the second stage of economic and monetary union on 1 January 1974, with a view to its completion by 31 December 1980 at the latest.

2. With the prospect of complete attainment of economic and monetary union, comprising fixed and irrevocable parities between their currencies, the Member States of the enlarged Community will undertake to establish and maintain during the preparatory stages of this union a system of fixed but adjustable parities between their currencies (1). Under this system and in order to narrow the margins of fluctuation, they will increase their co-operation in this field, and strengthen their mutual protection and support machinery. This mechanism will be developed so as to ensure that commitments entered into are honoured, to protect the stability of the currencies of the Member States from disruptions likely to result from abnormal movements of capital and to fight speculation.

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(1) During the final formulation of this report by the ad hoc Working Party (on 3, 4 and 6 October 1972), the French delegation proposed that the terms "....a system of fixed but adjustable parities between their currencies" be replaced by: "....a system of fixed but adjustable parities for their currencies".

It will be recalled that during their discussions in Rome on 12 September 1972, the Ministers of Economic Affairs and the Ministers of Finance agreed: "to set up during the initial stage of economic and monetary union a European Monetary Co-operation Fund to be administered by the Committee of Governors of Central Banks, in the context of the broad economic policy lines adopted by the Council of Ministers. In the initial phase the characteristics of this Fund will be as follows:

- (i) concerted action between the Central Banks to narrow margins of fluctuation;
- (ii) multilateralisation of positions resulting from financing in Community currencies and multilateralisation of inter-Community settlements;
- (iii) the use, to this end, of a European monetary unit of account;
- (iv) administration of short-term monetary support between the Central Banks.

In order to meet the new requirements, a new form of machinery will be devised to accommodate, in the Fund, the immediate short-term financing of the agreement on the narrowing of margins and short-term monetary support. To this end, technical adjustments will be made to short-term support, without affecting its essential characteristics, especially the consultation procedures.

The Ministers invite the Committee of Governors and the Monetary Committee to consider the conditions for a gradual pooling of reserves during the subsequent stages of economic and monetary union, giving particular attention to the suggestions by the Italian Government."

In the negotiations designed to pave the way for the reform of the international monetary system, the Member States will adopt a joint position (1) which will, likewise, contribute to the attainment of economic and monetary union.

This joint position is based on the conclusions drawn by the Ministers of Economic Affairs and Ministers of Finance, from their discussions in London on 18 July 1972.

3. In order to make economic and monetary union possible, lasting and effective, the Member States will undertake to strengthen - concurrently with progress made in the attainment of a unified Community monetary system as mentioned in point 2 - the co-ordination of their economic policies and the gradual harmonisation of [the instruments of] (2) these policies and to undertake concrete action to this end.

Economic and monetary union will require a convergence [followed by the unification] (2) of their economic policies to the extent necessary to establish and maintain this union among themselves, without making complete identity of these policies indispensable.

In this spirit, the Summit Conference could approve with satisfaction the determination expressed by the Ministers of Economic Affairs and of Finance to undertake without delay concerted Community-wide action against inflation, in accordance with the provisions which they agreed at Rome on 12 September 1972 (see Annex).

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(1) One delegation pointed out that in accordance with the provisions of the Treaty, this joint position must be adopted by a majority vote.

(2) Reservation by one delegation

To achieve this convergence of short- and medium-term economic policies, the Community institutions are invited to improve the procedures established by the decisions taken since the beginning of Community action, and in particular by the recent acts of the Council (22 March 1971 and 22 March 1972).

The Council should take particular care to see that the guidelines and decisions it adopts on the basis of Article 103 of the EEC Treaty are properly applied, at the three annual meetings provided for in the Decision of 22 March 1971 and, if there is difficulty in implementing these guidelines and decisions, it should, on a proposal from the Commission, adopt the necessary measures and procedures to apply them. 7(1)

Increase of credit facilities under the medium-term mutual assistance machinery must remain subject to the condition that the beneficiary countries subscribe to economic policy commitments determined by the Community in granting them such credits.

The Community institutions are invited to establish a European Economic Research and Forecasting Centre, to operate in close conjunction with existing research bodies in the Member States.

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(1) Reservation by one delegation



4. The Conference will have to make clear that the Community's chief aims include:

- (i) improvement of living standards and working conditions;
- (ii) participation of both sides of industry in economic and social development;
- (iii) a fairer distribution of the benefits of economic expansion among the various categories of society;
- (iv) the optimum use of the various factors of production, in order to ensure a balanced development in the Community.

The Community Institutions will be invited to draw up, as soon as possible, plans of action with detailed timetables, in the following sectors.

5. In the regional policy field, the aim of remedying structural and regional imbalances which could adversely affect the ultimate achievement of economic and monetary union is recognized as having high priority. The enlarged Community is faced with new specific problems of considerable magnitude which should be examined forthwith by the institutions, so that they can take full account of the difficulties and experience of the new Members.

A special place must be accorded to the problems raised by:

- (i) structural underemployment in certain peripheral regions,
- (ii) industrial change and unemployment,
- (iii) the situation in regions where livelihood depends mainly on agriculture or fishing, particularly those threatened with depopulation.

For this purpose, the Member States undertake to co-ordinate their regional policies without delay and progressively, and to transform into reality the financial solidarity necessary to implement a common policy in these fields, keeping pace with economic and monetary union.

To this end the Community Institutions are invited to compare and co-ordinate the regional policies of the Member States and to work out a common regional policy by setting up the appropriate instruments [ , as envisaged in the resolution of 21 March 1972, ] [ to be put into effect from the entry into force of the second phase of economic and monetary union ] and by making provision for the necessary finances, which will be drawn from the Community's own resources.

With this aim in view, and without jeopardising the decisions and commitments already taken in this sphere, the Community Institutions are invited, on the basis of the study referred to in the first paragraph of point 5, before 31 December 1973, to take the necessary decisions for the implementation of a policy which would permit a satisfactory solution for the regional problems of the enlarged Community.

6. In the field of industrial, scientific and technological policy, it is considered essential that a single industrial base should be created, covering the enlarged Community.

The establishment of this base will involve:

- (i) the removal of non-tariff trade barriers;
- (ii) co-operation between [European] undertakings (1), through the elimination of barriers, particularly fiscal and legal barriers, which impede the alignment and mergers of firms established in the enlarged Community;
- (iii) the formulation of measures to ensure that mergers between firms established in the Community is in keeping with the social and economic objectives of the Community;
- (iv) the progressive and effective opening up of public purchasing by the adoption of appropriate measures (2);
- (v) in special cases, the promotion of competitive undertakings on a European scale in advanced-technology sectors;
- (vi) the transformation and conversion of industries in a state of crisis [or in decline], under acceptable social conditions;

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(1) Reservation by one delegation

(2) During the final formulation of this report by the ad hoc Working Party (on 3, 4 and 6 October 1972), the French Delegation requested that the following words be added:

"without ruling out co-ordination of large-scale buyers' purchasing policies".

- (vi) the definition of objectives and the sustained development of a common policy in the field of science and technology. This policy implies the co-ordination of national policies within the Community institutions and the joint implementation of projects of interest to the Community.

For this purpose, a programme of action together with an exact timetable for its implementation should be adopted before 31 December 1973.

7. It is necessary to draw up urgently a policy for energy and supply ensuring regularity and security of energy supplies and supplies of other primary commodities to enable the various economic bodies to develop their activities in an atmosphere of trust and co-operation and in healthy conditions for competition (1).
8. The development of economic union by carrying out projects in the various fields mentioned above will have to be brought about, in keeping with the objectives of Article 2 of the Treaty of Rome, in conditions which guarantee the continuation of an effective system of fair competition within both the common market and third country markets (2). It will be the task of the Community institutions, as in the past, to see that the rules regarding competition laid down by the Treaties are fully implemented.

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- (1) During the final formulation of this report by the ad hoc Working Party (on 3, 4 and 6 October 1972), the French delegation suggested that this paragraph be amended as follows:

"It is necessary to draw up a policy for energy and supply reconciling the disciplines necessary to ensure regularity and security of energy supplies and supplies of other primary commodities, so designed as to enable the various economic bodies to develop their activities in an atmosphere of trust and co-operation, whilst ensuring them of adequate conditions of competitiveness."

- (2) On the same occasion the French delegation requested that the words "within both the common market and third country markets" be replaced by "in conformity with the provisions of the Treaties".

9. The Conference will reaffirm that the Community is not pursuing solely economic aims but, by basing itself on stability, economic expansion, regional balance and full employment, intends to assert itself as an increasingly advanced area in the social sector.

10. In the social sector, the Member States will pledge to increase their co-operation and to undertake appropriate action of Community benefit. To this end, the Community Institutions are invited to draw up before 1 January 1974 a plan of appropriate forms of action, in the prospect of achieving economic and monetary union,

[ which could, for example, be designed to:

- (a) increase Community solidarity on employment;
- (b) create, within a Community framework, a system of guaranteed income for workers facing the consequences of economic change resulting from common policies;
- (c) increase the resources and field of action of the European Social Fund;
- (d) ensure the adoption of measures to give substance to the fact of belonging to the European Community (1) in particular, by accommodating nationals from the Member States in the social, administrative and political systems of the host States, and by abolishing systematic frontier checks;

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(1) one delegation, supported by the Commission, prefers the concept of "European citizenship".

- (e) improve individual opportunities in education and in the exercise of a trade or occupation;
- (f) [secure workers' participation in the process of setting targets and decision-taking in undertakings;]

or

[secure workers' co-operation in the management bodies of undertakings;]

- (g) examine the key provisions of European collective agreements;
- (h) work out underlying Community principles in the field of social security.]

11. The Conference would have to recognize the importance of the problems of the human environment, some of which, particularly those concerning pollution, need urgent attention. Also, stress should be laid on the Community's interest in taking an active part in seeking solutions to these problems through appropriate international channels.

While affirming the responsibility of the Member States and the Community for the protection and improvement of the quality of the natural environment, the Community Institutions are asked to draw up before 31 July 1973, a programme of action for the policy to be followed in this field, accompanied by a definite timetable.

B. STRENGTHENING OF THE INSTITUTIONS AND POLITICAL PROGRESS

12. While stressing that the institutional system and equilibrium arising from the European Treaties constitute one of the most original features of the construction of the Communities and have rendered eminent services to them for 20 years, the Conference should recognize that the increasing importance of the tasks incumbent upon these Communities, and their ever increasing responsibilities, require [ that the structures be strengthened and ] that Community procedures and the running of the institutions be improved.

In order to establish a sound basis, in public opinion, for Community activities in accordance with the fundamental political principles which unite the Member States, it is necessary to develop these structures and procedures towards a greater and wider democracy.

The Conference should invite the Community Institutions, and if need be the representatives of the Governments of the Member States, to adopt before the end of the first stage of realisation of economic and monetary union, on the basis of the report to be submitted by the Commission before 1 May 1973 pursuant to the resolution of 22 March 1971, the measures for the allocation of powers and responsibilities between the Community Institutions and the Member States which are necessary, particularly in the fields of cyclical economic policy, monetary and credit policy and budget policy, for the efficient operation of an economic and monetary union.

The Summit Conference should reaffirm the fundamental principle that Community decisions will effectively be subject to control by representatives of the people.

13. The enlargement of the Community, together with the increase in its tasks and responsibilities, renders it necessary from this moment to provide - without resorting at this stage to possible modifications of the Treaties - for practical measures with the purpose of improving and reinforcing the present functioning of the Institutions.

In consequence, pending the decisions referred to above, to be taken as to the allocation of powers and responsibilities between the Community Institutions and the Member States, the Conference should forthwith undertake to strengthen the responsibilities devolving on the Assembly / within the framework of the powers of that Institution /.

/To this end, it should invite the Council to set up a Working Party to examine the problems mentioned above and report before 31 December 1973 on the appropriate means of resolving them /.

/To this end, it should instruct the Community Institutions to work out, before the end of 1973, a plan for progressive extension of the Assembly's budgetary and legislative powers /.

Finally, the Conference should also invite the Council and the Commission to implement without delay the practical measures designed to bring about this strengthening, and to improve the relations of the Council, as much as those of the Commission, with the Assembly.



14. /It would be very important that the Conference should fix a deadline by which the Council must adopt, in accordance with Article 138 of the EEC Treaty, provisions permitting the election of the members of the Assembly by direct universal suffrage in accordance with a uniform procedure in all Member States. On the basis of this Article, it will be for the Parliamentary Assembly in its new composition to draft new proposals for the election of its members by direct universal suffrage.7

/The Conference should stress the need for particular attention to be given by the Member States to implementing Article 138 of the Treaty of Rome, in the light of the new situation brought about by the enlargement of the European Communities.

On the basis of this Article, it will be for the Parliamentary Assembly in its new composition to draft new proposals for the election of its members by direct universal suffrage.

Taking into account the progress achieved in bringing about economic and monetary union, and in order to respect the principle of Parliamentary control which forms the intrinsic democratic substance of the construction of Europe, the Council of Ministers of the Communities will within a period of ..... decide upon a programme which it will recommend the Member States to adopt, in accordance with their respective constitutional requirements.7

15. Whenever the Commission is due for renewal, after the renewal on 1 January 1973, the Governments of the Member States will undertake to notify the Assembly, within a reasonable period of time, of the names of those persons whom they propose to appoint by common agreement as members of this Commission, before the nominations are made.7
16. As for the Council, the Conference should invite this Institution to take practical measures before 30 June 1973, still within the existing framework of its powers, with the purpose of improving its decision-taking procedures and the cohesion of Community action.
17. It could also invite the Council
- (i) to hold meetings at regular intervals to deal with the broad lines of policy and
  - ∟(ii) to hold - in addition to the present regular meetings at the Foreign Ministers' level and those of Ministers with special expertise - meetings at the level of the Ministers responsible for European Affairs ∟, who would have a seat in Brussels7. These Ministers for European Affairs would have to be appointed, if possible, by all the Member States which, otherwise, would be represented at a level permitting full participation in Council discussion7.

18. It would also be desirable that the Conference should recommend the Governments to decide upon the standardization of the dates on which, as a general rule, the meetings of the national Cabinets should be held, so as to enable the Council of the Communities to organize itself in a more orderly fashion.
19. The role which has devolved upon the Commission should be confirmed, in particular its right of initiative and powers of administration, and it should be agreed that after the enlargement the Commission should increasingly, and as a general rule, be given responsibility for the tasks of implementation and administration arising out of Community regulations which have already been or which are to be laid down.
20. It also seems opportune to suggest that the Economic and Social Committee should give opinions on its own initiative.
21. Finally, it would be of great importance for the Heads of State and of Government to decide to use the legal framework and the institutional system of the existing Treaties in all the sectors where joint action - new or supplementary - is to be undertaken or extended with a view to attaining the Community's objectives and to invoke, if need be, Articles 235 of the EEC Treaty, 203 of the Euratom Treaty and 95 of the ECSC Treaty.

22. With regard to progress in the political sector, the Conference should confirm that the Community's vocation is to promote an ever closer union among the peoples of Europe and a progressive political unification of the Member States of the Community.

The enlargement of the Community, the extension of its functions made necessary in order to guarantee its cohesion and internal well-being, the increase of its responsibilities in the world community as a force for peace and progress, and its role in international trade and in development aid, will determine the rate and intensity, and the institutional development, of this process of unification.

The Conference could confirm the will of the Member States to continue and intensify their efforts at political co-operation, to improve the procedures and to increasingly strengthen co-operation with the Community institutions on matters affecting Community activities, particularly in order to enable Europe gradually to express itself in a single voice with regard to external policy (1).

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(1) During the final formulation of this report by the ad hoc Working Party (on 3, 4 and 6 October 1972), the French delegation proposed that this third subparagraph be altered to read as follows:

"The Conference could confirm the will of the Member States to intensify their efforts for political co-operation and to improve the procedures for this, so as to enable Europe gradually to express itself with a single voice in the field of external policy. On matters which have a direct bearing on Community activities, close contact will be maintained with the Institutions of the Community."

It could invite the Ministers of Foreign Affairs to meet more often and whenever the need arises, so as to have increased political consultation.

The report which the Ministers for Foreign Affairs will make on these topics in accordance with part three of the Luxembourg Report, should be drawn up by 1 July 1973 at the latest (1).

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- (1) During the final formulation of this report by the ad hoc Working Party (on 3, 4 and 6 October 1972), the French delegation proposed that this subparagraph be altered to read as follows:

"The report which the Ministers of Foreign Affairs will make on these topics in accordance with part three of the Luxembourg Report, should be drawn up by the very earliest date possible."

C. THE EXTERNAL RELATIONS AND WORLD RESPONSIBILITIES OF THE COMMUNITY (1)

23. After stressing the importance it attaches to increased consultation on external policy, the Conference should confirm that in international relations the Community should behave in such a way that Europe remains faithful to its traditions of being open to the world, fully assumes its responsibilities, which increase as a result of the enlargement, affirms its own personality in respect of its alliances and friendships and brings its due influence to bear, appropriately, in international bodies when matters falling within its frame of reference are concerned.

With this end in view, one of the priority aims is to seek, on the basis of existing institutions (IMF and GATT), and taking into account the needs of developing countries, sound solutions to the problems arising in international economic, commercial and monetary relations which have managed such matters up until now (IMF and GATT).

24. With regard to industrial countries, the Community is determined, so as to ensure the harmonious development of world trade:

- (i) to contribute, while preserving the Community patrimony, to a gradual liberalization of international trade by means of measures based on reciprocity and affecting both tariff and non-tariff barriers;

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(1) During the final formulation of this report by the ad hoc Working Party (on 3, 4 and 6 October 1972), the French delegation proposed that the sequence of the issues raised in this chapter be rearranged as follows:

- association policy (see present paragraph 26)
- developing countries (see present paragraph 25)
- industrial countries (see present paragraph 24)
- State-trading countries (see present paragraph 27)

(ii) to participate, in this spirit, and in accordance with an overall concept of commercial policy to be defined by the Institutions of the Community, in accordance with the declarations of 13 December 1971 and 11 February 1972, in the multilateral negotiations that are scheduled for 1973 in the framework of GATT and in which the interests of developing countries should be fully taken into consideration;

(iii) to hold constructive talks with the main industrial trading partners [and to this end to use the appropriate consultation procedures].

25. With regard to the developing countries, the Community will be obliged, bearing in mind the results of the UNCTAD Conference in Santiago, Chile, to work out a concept, on a world scale, and in the framework of the development strategy adopted by the United Nations, of a comprehensive common policy for development aid - comprehensive in the sense of covering at one and the same time trade, financial co-operation and technical co-operation<sup>(1)</sup>.

It will thus be necessary to plan increasingly close co-ordination of the policies conducted by each of the Member States in the sphere of development aid.

With this aim in view, the Community Institutions are invited to prepare, before the end of 1973, a plan of action to provide in particular for:

- (a) improvement in the system of generalized preferences<sup>(2)</sup>;
- (b) the promotion in appropriate cases of international commodity agreements with developing countries in order to achieve market stability and growth in their exports;

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(1) Reservation by two delegations.

(2) Reservation by one delegation.

- (c) the participation of developing countries in the preparation and conduct both of the future multilateral negotiations planned for 1973 within the framework of GATT and of those planned for the reform of the international monetary system;
- (d) a progressive increase in the financial resources devoted to the developing countries, so as to attain the objective of effectively placing at the disposal of these countries, as early as possible, financial resources equal to 1% [ ... ] of the gross national product of the member countries of the Community (1);
- (e) action to produce an improvement in the terms and conditions of public aid granted by Member States to the poorest developing countries;
- (f) technical aid for the promotion of exports from developing countries (1);
- (g) encouragement of regional economic and commercial agreements between developing countries;
- (h) a lightening of the burden of debts arising from past official aid loans granted by Member States and the Community to the poorest developing countries with the heaviest debt problems
- (i) the desirability for Member States to "untie" as between themselves their financial aid to the developing countries (1).

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(1) Reservation by one delegation



Furthermore, the following suggestions, on which most of the delegations did not comment, were put forward:

- (a) the improvement of the system of generalized preferences should aim at bringing about an annual increase of the order of 15% of manufactured product imports from developing countries into the Community;
- (b) of the resources placed at the disposal of the developing countries to the extent of 1% [...] of the GNP, to be achieved in 1975, 0.7% should comprise resources from public funds, which should be raised to 1% [...] over the five years following 1975;
- (c) the allocation of a greater part of overall public funds to projects initiated by the Community.]

26. The Conference should reaffirm in the same context the major importance it attaches to the policy of association with those developing countries having particular links with the enlarged Community, as reflected in the commitments undertaken in the Treaty of Accession (Protocol No 22) as well as in the commitments with the countries of the Mediterranean basin with whom agreements have been or are to be concluded - agreements to which the approach should be comprehensive and balanced (1).

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(1) During the final formulation of this report by the ad hoc Working Party (on 3, 4 and 6 October 1972), the French delegation proposed that this paragraph be replaced by the following text:

"Priority importance must be attached to the policy of association with those developing countries having particular links with the enlarged Community. This policy will be pursued in accordance with the commitments subscribed to in the Accession Treaty (Protocol No 22). The same applies to the countries with which the Community is linked, or may be linked, by agreements in the context of an overall and balanced policy applicable to the whole of the Mediterranean basin. This special system of relations between the Community and the countries closest to it geographically and historically is naturally destined to be maintained and strengthened."

27. The Conference should affirm that the enlargement of the Communities, their continued development and the realization of their aims are such as to foster better co-operation between all the peoples of Europe.

With regard to State-trading countries it ought to be clearly stated that the Community's wish is to develop - in particular by implementation, as from 1 January 1973, the common commercial policy - a policy of co-operation based on reciprocity in order thus to favour an easing of tension in Europe (1).

The development of this policy of co-operation with the State-trading countries is, as things stand, closely linked to the preparation and proceedings of the Conference on European Security and Co-operation, where the enlarged Community itself will be required to make a constructive contribution. It has appeared necessary for the Member States to adopt a common position for the preparation and conduct of this Conference, as regards issues in which there is close Community interest

[as regards issues in which there is a close Community interest, and other problems of a political nature]

[with particular regard to issues in which there is a close Community interest]

[as regards issues in which there is a close Community interest, besides which they should strive to reach identity of views on other problems to do with the Conference].

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(1) During the final formulation of this report by the ad hoc Working Party (on 3, 4 and 6 October 1972), the French delegation proposed that this subparagraph be altered to read as follows:

"There must be a clear expression of the Community's determination to adopt an open and positive attitude towards co-operation with State-trading countries, while conforming with the common commercial policy to be implemented as from 1 January 1973."

"The Ministers of Economic Affairs and of Finance of the enlarged Community, deeply concerned at the rapid pace of price increases in their respective countries, have manifested their intention to undertake without delay concerted Community-wide action against inflation, following the initiatives taken by the Ministers of Finance and Ministers of Economic Affairs of France and of the German Federal Republic.

They have held an exchange of views on the report submitted by the Chairman of the Co-ordinating Committee on Short-Term Economic and Financial Policies, which met on 8 September 1972.

On the occasion of a meeting of the enlarged Council devoted to consideration of the state of economic activity in the Community, scheduled for 30 and 31 October 1972, they propose to adopt, in the various spheres, specific measures designed to bring about effective and realistic short-term action against inflation, and to make allowance for the situation obtaining in the respective countries of the enlarged Community. These measures will form part both of common policies and of national policies, to be co-ordinated at Community level.

After it has sought the advice of the appropriate Committees and of the Co-ordinating Committee on Short-Term Policies, the Commission will make suitable proposals to the Council."

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RELEVÉ DES CONCLUSIONS

de la réunion ministérielle tenue à Frascati  
le 12 septembre 1972 en vue de préparer la  
Conférence Européenne au Sommet

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1. En ce qui concerne la constatation qu'il existe une base commune suffisante permettant d'arriver à des accords à la Conférence au Sommet en sorte que celle-ci puisse se tenir à la date prévue des 19 et 20 octobre 1972, le Président a pris acte de la réponse positive d'ores et déjà donnée par une majorité de délégations. Il a invité les délégations qui ont exprimé un avis positif sous réserve de confirmation formelle par leur Gouvernement ainsi que celles qui doivent soumettre la question à la délibération de leur Gouvernement, à informer la Présidence, pour la fin de la semaine, de leur prise de position définitive.
  
2. Les Ministres ont constaté que la préparation de la Conférence au Sommet au niveau ministériel pouvait être considérée comme terminée, sous réserve de difficultés sérieuses imprévues qui pourraient alors être examinées en marge d'une session normale du Conseil avant la Conférence au Sommet.

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A cette occasion, le Président a insisté, en vue d'un bon déroulement de la Conférence au Sommet, pour qu'aucun problème nouveau n'ayant pas été préparé ne soit soulevé à la Conférence.

Les Ministres ont marqué leur accord avec le texte du rapport du Groupe "ad hoc" pour autant que ce texte ne comprenne pas de réserves ou de rédactions alternatives. Quelques réserves ont été levées. Le rapport sera, sous réserve de ce qui est dit ci-après sous le point 3. a) et b), soumis à la Conférence au Sommet accompagné d'un résumé des délibérations des Ministres.

3. Les Ministres ont chargé le Groupe "ad hoc" des mandats suivants :

a) mise au point définitive du rapport à soumettre à la Conférence au Sommet

- toilette rédactionnelle du texte compte tenu des modifications convenues par les Ministres ;
- incorporation dans les paragraphes 2 (monnaie) et 3 (politique économique) du rapport, des deux documents approuvés par les Ministres des Finances ;
- paragraphe 5 (politique régionale) : réexamen du texte de la page 8, alinéa 2 ;
- paragraphe 6 (politique industrielle) :
  - = fusion en un seul texte des deuxième et troisième tirets (coopération et concentration d'entreprises)
  - = réexamen du texte entre crochets au cinquième tiret ;
- paragraphe 10 (domaine social) : réexamen du texte entre crochets.

b) Calendriers pour l'établissement des programmes d'actions et pour la mise en oeuvre des actions à décider en exécution de ces programmes

- Recommandation concernant les dates à retenir, compte tenu par ailleurs de la nécessité de vérifier et coordonner les dates déjà mentionnées dans le document (établissement d'un tableau-Annexe d'ensemble).

c) Rédaction du projet d'ordre du jour de la Conférence

4. Il a été décidé que les délégations qui souhaiteraient faire des propositions en ce qui concerne la déclaration générale, les transmettront à la Présidence qui les diffusera aux autres délégations.

5. En ce qui concerne l'établissement d'un projet de communiqué final, les Ministres ont estimé qu'il était prématuré à ce stade de charger le Groupe "ad hoc" d'un mandat à ce sujet et ont en conséquence laissé cette question ouverte.

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