

Declaration by the President of the Council and the President of the Commission on the state of the Community

A joint Declaration by the President of the Council and the President of the Commission was made to the Council on 2 April 1974 by the Council's President-in-Office.

As stated in the Communiqué published after the session, 'the President-in-Office of the Council indicated the problems on which decisions must be taken as promptly as possible. He also suggested a number of measures to be taken to improve the decision-making machinery within the Community. After a preliminary debate on the Declaration, the Council agreed to resume its review of these practical suggestions at a forthcoming session'.

The complete text of the joint Declaration reads as follows:

I. After the discussion in the Council on 4 February the Presidents of the Council and the Commission were requested to draw up a joint report. Today, the point is not to add a further analysis to those already existing concerning the causes of the situation of the Community. The point is what we can do in order to overcome the stagnation which is threatening the Community. The guideline of our action in the coming months is to ensure the existence of the Community, to prevent any disintegration and to keep it moving, in particular, in all those fields in which important decisions have soon to be made.

This report is deliberately limited to the concrete questions which are of importance today. In this connection, the Decisions of the Summit Conferences of The Hague, Paris and Copenhagen remain our guides.

Energetic action is required because many fields of the Common Market are exposed to disruptions which jeopardize its very essence. This applies in particular to the payments-balances difficulties, whose type and extent may have permanent effects on everything which has so far been achieved by the Community.

The Presidents of the Council and of the Commission consider it necessary that the following proposals should be implemented as soon as possible, so that the Community's essential policies may be continued and the efficiency of the Institutions improved.

II. The most dangerous of the disruptive forces which threaten to undermine the Community from inside is inflation. We must energetically combat this evil, which is extending to ever more Community fields, by joint efforts. For this purpose we must, as soon as possible, give concrete content to the major instruments of a Community policy, the stabilization guidelines and the converging decisions on which the Economics and Finance Ministers had agreed already in their February meeting. At the same time, we require immediate approval of the general resolution concerning the transition to a consolidation phase of the Economic and Monetary Union.

Any further loosening of the inter-Community currency association must be resisted with every force available. The Economics and Finance Ministers should be requested to seek means, on the basis of Commission proposals, on the one hand to ensure the continuation of the 'rump' serpent, and on the other to make possible the building of bridges to the Member States which are freely floating.

In order to further Economic and Monetary Union, we must now begin to alleviate the regional imbalances existing in the Community. For this, the Community needs the

Regional Fund. The Council must as soon as possible arrive at an agreement on the main questions still outstanding: the capital endowment and the distribution key.

In the field of energy policy considerable demands are being made on the Community, both from inside and outside. The Council must now rapidly agree the proposals submitted by the Commission. When the time comes, the Commission will submit more demanding and comprehensive proposals of capital importance to which the Council will have to devote an initial examination in its meeting of May. These proposals are aimed at an effective Community energy-policy strategy, and they will include problems of supply and of savings of energy and the proper functioning of the market. The definition of such a policy will give the Community the minimum of common action, solidarity and unity which it needs in order to be able to face its responsibility in the discussion of energy-policy problems in the different international bodies. In addition, such a policy will require the comprehensive cooperation which is being sought with the oil-producing countries.

With a view to the entry into force of the Communities' 'own resources' system on 1 January 1975, the proposals for the strengthening of the budgetary powers of the European Parliament must be passed. In this way, the democratic element in the Community will be strengthened—and this also with an eye to further developments.

In external relations also, decisions must finally be taken if a vacuum is not to occur and common interests to suffer damage.

In relation to the Mediterranean countries with which negotiations are at present going on, the Community is lagging behind as regards the fulfilment of its legal and political obligations. This being so, the Council must agree the supplementary negotiations mandate. Otherwise the claim that there exists a European Mediterranean policy will cease to be credible.

In order that the negotiations with the African, Caribbean and Pacific developing countries may be concluded in good time, the Council must here also decide on the necessary additions to the guidelines for negotiations as soon as possible.

The equalization negotiations with the Community's leading trade partners under GATT Article XXIV Sec. 6 must be brought to a successful conclusion.

The endeavours to implement a Community development policy on a world-wide scale must be further pushed forward.

III. It will only be possible to make further progress with positive decisions and, in the long run, to ensure the efficiency of the Community, if we improve the decision-making process, as was already decided at the Paris Summit Conference. In this connection, the main elements are now the following practical proposals:

(a) In order to achieve an acceleration of the method of decision-making within a reasonable time, the members of the Council should make it their business—in particular when a clear majority has emerged in the Council—to enable a decision to be arrived at, *inter alia*, by refraining from voting.

(b) The political role of the Council as the European Executive should be reinforced. For this purpose, we propose to begin each general Council meeting with a discussion in a limited framework, in which only Ministers, State Secretaries and the President of the Commission are present. This would make it possible for the President to report on the progress of the work and offer the opportunity for a frank and free political discussion.

(c) In the week before each Council meeting there should be a working session of the Permanent Representatives Committee with the President of the Commission at which the Agenda would be prepared and the most important political questions on which the Council has to concentrate would be pinpointed.

(d) The Governments of all the Member States should, in their instructions, give more negotiating room to the Permanent Representatives, so that, as far as humanly possible, they may already agree at their level.

(e) More responsibility should be given to the Commission by applying Article 155, paragraph 4 of the Treaty establishing the European Economic Community, and in this way the cooperation between the Commission and the competent national authorities would be ensured by procedures which are based on those of the administrative or other existing committees in the Community.

IV. None of these decisions can be put off for long. They are required on political and practical grounds. Nor may they be left to the Heads of State or Government. In order to guarantee the most important common interests, the Community must, precisely at this time, prove its capacity to function and decide, and also its readiness to advance, quite independently of whether the concepts of the future development of the Community or of the form of its policy in all fields are already completely uniform. The outside world cares nothing about internal difficulties with which we have to struggle. The most important internal problems can only be overcome by us all acting together.

Naturally, there are differences of opinion which may not be simply glossed over. We will have to talk about these in the Council. However, they must not have the effect that every advance in internal policy which we have set ourselves as an aim, and the current negotiations, are inhibited and that the Community as a whole is crippled. Today, it is not a matter of discussing fundamental questions. But without a solid basis of Community agreement on the aims, there can in the long run be no successful policy on the practical issues.