

THE EUROPEAN COUNCIL

**BRUSSELS
16-17 JULY 1975**

Documents in the dossier include:

Conclusions

Session of the European Council, Brussels, 16-17 July 1975
Reproduced from *The European Council*
Dossier of the Group of the European People's Party
Luxembourg 1990

Second "European Council Meets in Brussels
European Community Background Information No. 23/1975
European Community Information Service
Washington DC

Session of the European Council

Brussels, 16 and 17 July 1975

Conclusions

Election of the European Parliament by direct universal suffrage

Passport Union

Special rights of Member States' citizens

The European Council asked the Council of Foreign Ministers to examine the question of election to the European Parliament by direct universal suffrage, taking account of the draft worked out by Parliament and any points which might arise during the review, in order to present a report to the European Council on this issue by the end of the year.

The European Council instructed the Council of Foreign Ministers to advance the work on instituting a Passport Union and to prepare a report on the subject by the end of the year.

The European Council reiterated Point 11 of the Paris Communiqué of 9 and 10 December 1974, and instructed the Council of Foreign Ministers to study the question of according special rights to the citizens of the nine Member States as members of the Community, with a view to presenting a report at a subsequent meeting of the European Council.

Economic and monetary situation

The European Council confirmed the guidelines set out at the meeting of the Council of Ministers for Finance and Economy on 10 July, which are recapitulated in the Commission's summary paper. The Council of Ministers for Finance and Economy was instructed to keep a close watch on the trend of the economic situation and to strengthen the coordination of Member States' econo-

mic and financial policies. It noted that certain Member States intend to apply harmonized measures to avoid any further deterioration of the short-term economic situation in the autumn.

The European Council recognized that the current short-term economic problems must be tackled in collaboration with the other industrialized countries (in particular the United States and Japan) if there is to be any hope of an effective economic recovery, and it affirmed its resolve to work towards that goal.

The European Council instructed the Council of Ministers for Finance and Economy to maintain the effort to restore a more stable international monetary system. With this in mind, it reaffirmed the importance of close collaboration within the Community. It was pleased to note that the French franc had returned to the Community exchange system (the 'snake') and asked the Council of Ministers for Finance and Economy to study the matter of technical procedures for floating Community currencies.

Lastly, the European Council welcomed the idea of a tripartite Conference, as requested by the European Confederation of Trade Unions, which would be attended by the Ministers for Economic Affairs and the Ministers of Labour. The Commission was asked to put forward proposals in this direction.

Portugal

The European Council reaffirms that the European Community is prepared to initiate discussions on closer economic and financial cooperation with Portugal. It also points out that, in accordance with its historical and political traditions, the European Community can give support only to a democracy of a pluralist nature.

Relations with China

The European Council welcomed the decision by the Government of the People's Republic of China to establish official relations with the Community. It felt that China's decision opened the way to developing closer relations between China and Europe, on which the Heads of Government set much store.

Energy and raw materials

The European Council reached agreement in principle on calling a new preparatory meeting for the conference between the industrialized countries and developing countries. It was agreed that the basic questions of energy policy would be studied in detail at Community level and that every effort must be made to ensure a single representation at the ministerial conference. The various aspects of the raw materials problem were also discussed. The Community institutions were asked to follow up the preparation of a common stance in respect of raw materials and cooperation and development, for the forthcoming international meetings dealing with relations between the industrialized and developing countries.

Statement on the United Nations

The Heads of Government, having discussed the situation of the United Nations, which this year celebrates its 30th anniversary, and in consideration of the forthcoming regular and special meetings of the General Assembly, stress that the growing interdependence of countries and peoples multiplies the problems which must be solved at world level.

The Nine reiterate their confidence in the United Nations, the main institution of international cooperation. They affirm the need to strengthen the role and effectiveness of the United Nations, the universal and vital means of worldwide dialogue and cooperation.

The Nine will maintain and foster respect for the Charter, the rights of the member countries and the rules of procedure in force. This underlies the confidence of nations in the United Nations. Thus the Nine consider that any compromise of this principle would prevent the United Nations from playing the role which falls to it.

The Nine wish to contribute towards a more just basis for international relations, a better preserved independence and equality of States, a more fairly shared prosperity and more assurance of security for all (Document of 14 December 1973). They are convinced that their union will be of benefit to the whole international community and that particularly within the United Nations it will be a stabilizing factor for balance and a focus of cooperation.

In this spirit, the Nine signal their resolve to clear their concertation of all obstacles, so that the Community may come out with all the weight of its responsibilities in the direction of conciliation and dialogue, and consequently, a strengthening of the United Nations. They will endeavour to act in such a way that the United Nations will attain its objectives, especially in the preservation of peace, the peaceful settlement of disputes and conflict, the promotion of social and economic progress and the preservation of human rights, and in the field of humanitarian action.

Moved by a common resolve for dialogue, the Community and its Member States will offer the international community, in the appropriate areas, proposals for action on a well-balanced series of themes which meet the major concerns of the developing countries, especially in respect of raw materials and development and cooperation. Special consideration will be given to the problems of the poorest countries.

Regarding the special meeting of the General Assembly on development and international economic cooperation, the goal of the Community and its Member States is to achieve real progress towards a better balanced and more equitable structure of international economic relations, which involves strengthening the position of the developing countries.

In affirming the identity of the Community, the Nine confirm their resolve to play an active constructive role within the United Nations with the aim of developing avenues of the broadest possible cooperation.

Statement on the CSCE

1. Viewing the final stage of the Conference on Security and Cooperation in Europe, the European Council is glad to find that after two years of negotiation, thirty-five countries of Europe and North America have succeeded in defining the guidelines for their future relations.
2. The Conference was marked by the concerted contribution made by the member countries of the community, in accordance with the intention expressed by their Heads of Government meeting in Paris on 22 October 1972, just before the consultations opened in Helsinki. The Helsinki and Geneva negotiations afforded the Nine the opportunity to take up a common task which became a shining example of constructive cooperation; they also showed that the process of growing unity in which the Community countries embarked, fully aware of their responsibilities to history, has now reached the stage of maturation.
3. The convening of the Conference was possible as a result of the improved relations between the States of Europe, deriving from the quadripartite Agreement on Berlin and the Treaty between the two States of Germany. Nevertheless, this improvement has not eliminated the differences between the ideologies and the political, economic and social systems. These emerged in the discussions of the Conference and in certain instances, particularly on those issues involving the movement of individuals, ideas and information, were the reason why it was not possible to go further. But it is of great importance that a searching debate could be initiated on many aspects of the relations between the participating States, and that on each of these, it was possible to affirm the common principles of conduct and to express, in the most practical possible way, the States' intention to allow and to foster the development, all over Europe, and therefore in Berlin also, of cooperation, trade and contacts in which individuals will be given major consideration.

Among the principles voiced, each one of which is to be interpreted mindful of the others, the Conference confirmed both the inviolability of frontiers and the possibility of changing them, in compliance with international law, by peaceful means and through agreement.

4. The European Council believes that the substance of the Final Act is a milestone on the road of détente, whose true significance can be gauged only in terms of the effective application on the part of each participating State of all the principles reaffirmed and of the action agreed. For their part, the Nine are resolved to adhere to the principles voiced by the Conference and to take any measures in their power to ensure that as far as they are concerned, the conclusions are put into practice. Thus the climate of mutual trust could be established which would allow the barriers to be opened in order to bring the peoples more closely together.

Moved by the firm hope that implementing the conclusions of the CSCE will lead to a real improvement in relations between the States taking part in the Conference, the Nine feel that, on such a basis, continuation of the multilateral dialogue instituted by the CSCE will be of value in the future. They declare themselves already resolved to cooperate towards this in the positive spirit which inspired their contribution to the work of the Conference.

5. The Nine recognize that the Conference made it possible to affirm in principle and emphasize in fact the close links between security and cooperation in Europe and security and cooperation in the Mediterranean. Convinced of the need for rapprochement and a fruitful dialogue between the Community, with its member countries, and the non-European Mediterranean countries, they declare themselves resolved to develop their relationships with those countries and to pursue the major efforts already made in this respect.
6. The Member States of the Community continue to adhere to their resolve to pursue their efforts for closer and closer unity between themselves, to strengthen their relations in all fields with the other participating States.

They reaffirm their conviction that the progress which they make towards their unification will foster the development of cooperation in Europe; they will thus be able to make a better contribution to the further process of détente and constructive dialogue in Europe and the world.

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BACKGROUND NOTE

No. 23/1975

July 28, 1975

SECOND "EUROPEAN COUNCIL" MEETS IN BRUSSELS

Since the December 1974 Paris "Summit," when French President Valery Giscard d'Estaing called for a new style of meeting between the nine EC heads of State or Government, European Community leaders have been gathering at informal, thrice-yearly European Council meetings. The second of these meetings, preceded by the Dublin Council of March 10-11, was held in Brussels July 16-17.

Unlike previous EC summits, the newly-instituted European Councils are not intended to produce such outstanding results as the declaration on European identity, which emerged from the December 1974 Copenhagen Summit, or the declaration of the Nine's intent to "transform the whole complex of their relations into a European union," which the October 1972 Paris Summit yielded. Rather, the European Council meetings permit the heads of State or Government to set down guidelines for action and policy of common concern, leaving details and specific decisions on Community matters to the Council of Ministers meetings.

Portugal

In reviewing the Community's relations with Portugal, which wants an agreement broader than its current trade pact, the European Council emphasized that any economic aid to Portugal must be tied "to the development of pluralist democracy" in that country. "We are not in the business of financing dictatorships," British Foreign Minister James Callaghan told newsmen after the Council's last session.

Oil Consumer-Producer Dialogue

The Council also called for the resumption of the dialogue with the oil producing countries. The talks broke down last April in Paris when the delegates to the preparatory conference failed to agree on an agenda for the talks. When resumed, possibly by the end of August or early September, the talks would be within the framework of a preparatory meeting for a ministerial-level conference on energy, raw materials, and development. The dialogue itself could open two months later, the Council said. EC Commission President François-Xavier Ortoli and Aldo Moro, Italian Foreign Minister and President in Office of the Council of Ministers, stressed that the Community should grant equal importance to raw materials, energy, and development.

Raw Materials

The Nine moved closer to a joint position on raw materials during the Council meeting, in preparation for the seventh Special Session of the United Nations, to be held in New York September 1-12. General agreement was reached on the Commission's raw materials proposals, which combine a program for the stabilization of export receipts (known as "Stabex") with the possibility of arranging commodity agreements on a case-by-case basis. Gold reserves from the International Monetary Fund would be mobilized to finance the Stabex program.

United Nations

The Council reiterated the Nine's confidence in the United Nations (UN) as the main organ of international cooperation. They feel that the UN's role should be increased, as should its efficiency as a universal and indispensable instrument of worldwide dialogue and cooperation. The member states declared their intention to defend and promote respect for the UN Charter, member states' rights, and existing rules of procedure. The Nine wish to contribute to more just international relations, greater preservation of the independence and equality of states, more fairly-shared prosperity, and increased security for all. The Community feels that its union will benefit the international community as a whole and that, within the UN in particular, it will constitute a balancing factor and a focal point for cooperation. The Community plans to submit to the international community proposals for action on subjects of major concern to developing countries, including raw materials and cooperation.

Conference on Security and Cooperation in Europe

The Council expressed satisfaction that the Conference on Security and Cooperation in Europe (CSCE) had drawn guidelines for the 35 participating countries' future relations. The Nine have worked together since the October 1972 Paris Summit in defining their position toward the conference. They regard the declaration concluding the conference, to be signed this week, as a step toward detente and have agreed to follow the principles set down in the conference with a view to establishing mutual confidence between signatories and to opening frontiers to promote more contact between peoples.

Economic Situation

On the Community's economic woes, the European Council stated that these problems "must be tackled in cooperation with other industrialized countries, especially the United States and Japan, if there is to be any hope of an effective economic recovery." The nine heads of State or Government also called for a more stable world monetary system and asked the EC finance ministers to study the technical problems posed by floating exchange rates. In the same session, they also welcomed the return of the French franc to the EC monetary "snake." The snake is the system by which these Community countries limit the fluctuations between their currencies to 2.25 per cent above or below their respective cross rates.

Direct Elections to European Parliament

Direct election of the European Parliament has long been one of the Community's priorities and is a prerequisite of European union. The Council asked the Council of foreign ministers to study the matter further, taking into account studies done by the Parliament, and to submit a report by the end of the year.

European Passport

The Council of foreign ministers was also asked to speed up its work for a common European passport for citizens of the nine member states and to report on this project by the end of the year.