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Report

drawn up on behalf of the Political Affairs Committee

on European political cooperation and unification

Rapporteur: Mr J.A. MOMMERSTEEG

PE 31.986/fin./2

On 28 April 1970 the enlarged Bureau of the European Parliament authorized the Political Affairs Committee to report on the political future of the European Community.

The subsequent report by the foreign ministers to the heads of state or government of the Member States of the Community on 27 October 1970 (Doc. 155/70) led Parliament to instruct its Political Affairs Committee to pursue - among other things under the terms of the consultation procedure envisaged in the report - its study of the problem and report back in due course (see Annex I).

The Political Affairs Committee appointed Mr MOMMERSTEEG rapporteur at its meeting of 30 May 1972.

At its meetings of 20 November 1970, 11 June and 18 November 1971, and 12 June and 23 November 1972, the Political Affairs Committee engaged with the foreign ministers in the colloquies provided for in the report of 27 October 1970.

Going beyond these meetings, the European Parliament addressed an appeal on 10 October 1972 to the heads of state or government who were to attend the summit conference in Paris.

In view of the new situation created by the conference the Political Affairs Committee instructed Mr MOMMERSTEEG to cover in his report not only the results of the summit conference but also any proposals put forward both at the next six-monthly colloquy of the foreign ministers and Political Affairs Committee and in the 'communication' which the President-in-Office of the Council was to make to the European Parliament (Doc. 306/72).

At its meeting of 1 March 1973 the Political Affairs Committee instructed its rapporteur, Mr MOMMERSTEEG, to include in his report a consideration of Sir Tufton BEAMISH's motion for a resolution.

The report was discussed by the Political Affairs Committee at its meetings of 30 May, 12 and 28 September, 10 and 17 October, 23 November 1972, and 29-30 January, 8 February, 1, 8 and 22 March 1973.

At its meeting of 22 March 1973 the committee adopted the motion for a resolution by nine votes to two.

The following were present : Mr Radoux and Lord Gladwyn, Vice-Chairmen, Mr Mommersteeg, rapporteur, Sir Tufton Beamish, Mr Behrendt, Mr Bertrand, Mr Bousquet, Mr Dalsager, Sir Anthony Esmonde, Mr Schmidt (deputising for Mr Corona) and Mr Van der Stoel.

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The Political Affairs Committee hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

on European political cooperation and unification

The European Parliament,

- recalling the Report of 27 October 1970 (Doc. 155/70) by the Ministers of Foreign Affairs to the Heads of State or Government of the Member States of the Community and in particular the decision (part one, section 8) that when policies already introduced or to be introduced are implemented, parallel developments must take place in the political order as such, bringing us nearer to the moment when the countries of Europe will speak as one;
- referring to the resolution on the political future of the European Communities (Doc. 118/70)¹ adopted by the European Parliament on 7 October 1970 and to its resolutions of 5 July and 15 November 1972 concerning the Paris Summit Conference (Docs. 73/72 and 194/72)²;
- recalling the previous report of its Political Affairs Committee on the communication from the President-in-Office of the Council to the European Parliament (Doc. 88/71);
- stressing that the building of political union is one of the main prerequisites for achieving greater cohesion in the Community and thus for achieving tangible results in all other fields;
- taking note of the undertakings given by the Member States at the Paris Summit Conference, particularly that the Foreign Ministers should submit, before 30 June 1973, new proposals for closer political cooperation as a step towards political union;
- anxious to play its part in exploring the issues covered in this report;
- stressing that cooperation in the field of external relations is an important step towards the political union envisaged in Paris;
- having regard to the close links existing between the political and economic aspects of European unification and to the need it sees for a converging organization of activities in these fields;

¹OJ No. C.82, 26.7.1972

²OJ No. C.129, 11.12.1972

- considering that the existence of the European Community as such is seen throughout the world as an important factor in international politics, and that its policies, its action and even its inactivity can have immediate political consequences at international level;
 - stressing that by reason of its inherent capacities and its political, economic and trading potential, the enlarged Community has greater responsibilities towards other countries and must show greater cohesion in its action in the field of external relations;
 - having regard to the report of its Political Affairs Committee (Doc. 12/73);
1. Welcomes the decision taken at the Paris Conference to hold meetings of the Foreign Ministers from now on four times a year;
 2. Requests that each of these meetings be immediately followed by a colloquy between the Ministers and the Political Affairs Committee;
 3. Stresses that the decisions taken at the Paris Summit Conference concerning the application of Article 235 of the EEC Treaty constitute a basis for new Community activities;
 4. Considers that decisions for implementing Article 235 require the agreement of the European Parliament;
 5. Is of the opinion that the report which the Foreign Ministers are to submit before 30 June of this year
 - a) should contain a more detailed description of the part a democratic and independent Europe could and should play in the world; and
 - b) should, with a view to establishing political union by 1980, indicate ways of ensuring closer links between the process of foreign policy cooperation and Community structures which are to be strengthened;
 6. Considers that cooperation in the sphere of foreign policy can practically never be divorced from defence and security policy;
 7. a) Points out that in the view of the European Parliament any secretariat set up to prepare the meetings of the Foreign Ministers ought not to encroach upon the powers of the Community institutions, and should be set up in such a way as to create a close organisational link between Community activities and the tasks to be performed in the field of foreign policy;
 - b) Considers that such a secretariat should be installed at the Secretariat of the Council;

8. Requests that the Commission of the European Communities
 - a) be fully associated at all levels in the Foreign Ministers' work in the field of European political cooperation and unification;
 - b) have a right of initiative and to make proposals whenever a decision must be taken or the Community's position determined within the framework of meetings of the Foreign Ministers' held to discuss political cooperation;
9. Considers it essential that the European Parliament make use of its right of initiative to study important foreign policy issues and to make proposals on common policy lines for Member States, and that deliberations on these matters should be held in the presence of members of the Council and of the European Commission; the relevant resolutions of the European Parliament should be examined and commented upon by the Foreign Ministers;
10. Requests its President to forward this resolution to the Council and Commission of the European Communities and to the Governments of the Member States.

EXPLANATORY STATEMENTI. INTRODUCTION

1. Seen against the background of the Müller report and the associated resolution containing practical proposals (Doc.72/73) adopted by the European Parliament on 5 July 1972, the outcome of the Paris Summit Conference (19 and 20 October 1972) in many ways fell short of Parliament's hopes and expectations; particularly at the institutional level. In its resolution of 15 November 1972 (Doc. 194/72) the European Parliament compared the actual results with its hopes and expectations, briefly summarizing the pros and cons.

Your rapporteur shares the disappointment voiced in this resolution, particularly as regards the failure to take any decisions on the strengthening of the Communities' democratic structures and the question of elections to the European Parliament by direct universal suffrage.

2. For all that, he remains convinced that the Paris Summit Conference may prove to be an important step forward on the difficult path to European integration, if

- the wide-ranging 'Paris programme' is put into effect imaginatively and resolutely;
- the Community Institutions do their utmost to give, before the end of the present decade, a political content to the objective of 'European Union' set out in the Paris communique.

To this end, the European Parliament must make a contribution that is both vigorous and imaginative, in cooperation of course with the other Community Institutions but also, as far as possible, with its Member States' Parliaments.

3. It should be borne in mind that hitherto the Heads of State or of Government had never - this applies both to the E.E.C. Treaty and the final communique of the Hague Summit - tied themselves down to transforming the 'whole complex' of relations between Member States into a 'European Union.' They even went so far as to set a deadline for the implementation of this decision: by the end of the 1970s.

It is right and proper that, the very vagueness of the term 'European Union' should give rise to scepticism and even suspicion as regards its political implications. Even so, this objective faces the Community Institutions in general and the European Parliament in particular with a crucial challenge.

Moreover, the Paris Communiqué does have some important things to say about the essential requirements of European Union.

Ulrich Everling has made a useful study of this matter in an article entitled "Die Europäische Gemeinschaft auf dem Wege zur Europäischen Union"¹

After all, in the first paragraph of the Preamble the Member States do enumerate fundamental political values upon which they are determined to base 'the development of their Community': democracy, freedom of opinion, free movement of people and of ideas and participation by their peoples through their freely elected representatives'.

4. Economic, monetary social and foreign policy - hitherto essential components of the paramount responsibility of the Nation State - become absolutely indispensable in the context of European Union.

Growth, stability and social progress emerge as objectives to be attained in this connection together with the advancement of peace, détente and international equilibrium. This also means that the Union must strive towards "ein ausgewogenes Verhältnis zwischen entschlossener innere Entwicklung und Offenheit gegenüber der Weltwirtschaft, zwischen Eigenständigkeit und Bindung an die Partner in der Welt".

5. In accordance with the time-table established by the Paris Summit the Foreign Ministers are to submit new proposals before 30 June 1973 with a view to strengthening political co-operation between Member States within the perspective of ultimate political union.

This report is intended as a contribution on the part of the European Parliament to thinking in relation to the ministerial proposals in question. As such it can also be seen as a contribution to the preparatory work which is to set the Community on course for the European Union specified in the Paris Communiqué.

6. As it is assumed that the Müller report of 5 July 1972 already covers some of the essential requirements for bringing about full-scale European

¹Europa-Archiv, Series 23/1972

political union, the main focus of this report is on giving further shape to co-operation in the sphere of foreign policy.

The first chapter outlines the 'Davignon procedure', the second chapter gives an assessment of the first two years of 'political co-operation', while the third chapter contains a number of proposals for stepping up and improving political co-operation.

This means that the European Parliament - just as the other Community Institutions - have their work cut out for them. It will have to deliver its opinion on the report which is to be brought out by the Foreign Ministers before the end of July. Thereafter, it will also have to constantly ensure that the activities of the Community and of its constituent States really are - as advocated repeatedly in the report under consideration - channelled towards European Union which must hold together politically. The need for this convergence of effort is a leitmotiv of the report under consideration.

A decisive challenge indeed!

The Luxembourg report and its implementation

7. After the unsuccessful attempts (1961-1962) to achieve a form of institutionalized political cooperation between the Member States of the European Communities on the basis of the various Fouchet plans¹, several years elapsed before new proposals for political cooperation had even modest results².

The Summit Conference at The Hague on 1 and 2 December 1969 instructed the Foreign Ministers of the Six Member States to submit proposals by the end of July 1970 on the 'best way' of making progress towards political unification against the background of the Community's enlargement (Final Communiqué, Section 15).

8. On 20 July 1970 the Ministers' meeting in Luxembourg adopted a report drafted by the Political Directors of the six Ministries of Foreign Affairs under the Chairmanship of Mr DAVIGNON (Belgian). It was approved by the governments of the Six on 27 October 1970 and has since become officially known as the Luxembourg Report.

¹For a short comparative survey of these plans, see Mr SCARASCIA-MUGNOZZA's report (Doc. 118/70). The full texts will be found in the 'File on political union', published by the Directorate-General for Parliamentary Documentation and Information (January 1964).

²The three-monthly political consultations for which provision was made in a decision of 23 November 1959, were broken off early in 1961. After 1962, there were only political consultations at ministerial level in WEU.

The procedure

9. The 'Davignon procedure' outlined in the second part of the Luxembourg report is straightforward:

- the Ministers of Foreign Affairs are to meet at least twice each year; this meeting may be replaced by a Summit Conference (if the Ministers believe that the circumstances are sufficiently serious or the subjects to be dealt with important enough);
- a 'Political Committee' consisting of the Political Directors of the Foreign Ministries will prepare these ministerial meetings in addition to carrying out the tasks set in accordance with the Luxembourg report;
- This Committee will meet at least four times a year; it may set up working parties and entrust special tasks to groups of experts;
- the ministerial meetings and the meetings of the Political Committee will be chaired by the country which holds the presidency of the Council of the European Communities;
- this country will also provide the Secretariat (which will therefore change every six months).

Purpose and Subjects

10. The aims of this cooperation are as follows:

- to foster mutual understanding on major questions of international politics through regular information and consultation;
- to strengthen solidarity through harmonization of viewpoints, coordination of attitudes and, where possible and desirable, promotion of common action.

11. As to the subjects of this cooperation the Luxembourg Report gives a very general and vague description: 'all major questions of international politics' and 'all important matters in the area of foreign policy'. The Member States may 'at their discretion, suggest political consultation on any matter'.

The Luxembourg report does not include defence and security policy as such within the scope of political co-operation although this undoubtedly forms part of foreign policy in the broadest sense.

Your rapporteur feels that with increasing close political co-operation these aspects cannot be left out of account in the long run.

Relationships with the European Communities

12. The political cooperation referred to in this instance is strictly confined to the area of foreign policy even though, according to the third part of the Luxembourg report, the Ministers must continue their search for the best way of making progress towards political unification and submit a second general report (at latest two years after the beginning of consultations).
13. Cooperation is clearly intergovernmental in character. However, in the first part of the Luxembourg report dealing with principles (Section 2) the concept referred to in the final communiqué of the Hague Summit Conference (Section 4) is recalled, i.e. that the 'European Communities remain the germ from which European unity has developed and moved forward'. Other passages in the Luxembourg report also suggest that a link should be established between this political cooperation and the European Communities. In addition the fourth part of the report specifically reserves participation in this cooperation for the Member States of the European Communities.
14. Mr D. W. van LYNDEN who, as Director-General for Political Affairs in the Dutch Foreign Ministry, was involved in the preparation of the Luxembourg Report, wrote, in an article on the 'Prospects for European political cooperation'¹, that cooperation on the basis of the Davignon formula clearly fitted into place in the framework of 'mono-centric European cooperation around the EEC as the nucleus'. And he went on to suggest that this mono-centric approach, together with the prospect of enlargement of the Communities reopened by The Hague Summit Conference, had made this procedure, which in some respects resembled the Fouchet plan, acceptable to all the Member States.
15. The links established by the Luxembourg report with the organs of the European Community are tenuous:
- according to part two of the report (Section V), the Commission will be invited to make its opinion known when the activities of the Ministers have implications for the European Communities; a decision as to whether this is the case is manifestly left to the discretion of the Ministers themselves;
 - Section VI envisages informal six-monthly colloquies of the Ministers and members of the European Parliament's Political Affairs Committee to discuss matters on which consultations are arranged in the framework of cooperation;

¹Internationale Spectator, The Hague, 8 October 1972

- the third part states that the President-in-Office of the Council will report annually to the European Parliament on the progress of these activities. This will be a progress report which should deal with the headway made by the Ministers in their quest for the best way of moving forward towards political integration and moreover, cover improved foreign policy cooperation and the search for new areas in which progress could be made (part 3, sections 1-4).
- we have already mentioned the personal link that exists because the Chairman of the Conference is also President of the Council. Moreover, the Council of the European Community is composed of the nine Foreign Ministers.

Development of the situation

16. Since the Luxembourg report was adopted, six semi-annual meetings of Foreign Ministers have been held, i.e. in Munich (November 1970), Paris (May 1971), Rome (November 1971), Luxembourg (May 1972), The Hague (November 1972) and Brussels (March 1973).

The original intention was that the Six would subsequently give information on their talks to the four applicant countries at ministerial meetings. In November 1971 (Rome) it was, however, decided that the applicant countries should play a full part in the consultations as soon as they had signed the Treaties of Accession (December 1971). As a result of this decision the United Kingdom participated in the consultations on an equal footing after February 1972, and the three other applicant countries after April 1972¹.

(As a result of this new form of political cooperation, the ministerial meetings, which used to be held four times a year in WEU are now in actual fact only held twice each year.)

17. The meetings of the Political Committee soon became more frequent than originally proposed, being held about eight times a year instead of the initially planned four meetings. Between the actual meetings, many contacts are made by telephone, telex and letter (partly because of the lack of a permanent Secretariat).

18. The Political Committee has set up a number of sub-committees for the Conference on European Security and Cooperation (CESC) which meet regularly. Working parties have also been formed to deal with the Middle-East question and the Mediterranean region. Ad hoc discussions have also been held between experts (e.g. on Bangladesh in the Spring of 1972).

¹ Norway withdrew in October 1972 after the negative outcome of the referendum

19. On the basis of a common directive drawn up by the Political Committee and adopted by the Ministers, regular consultations are held between the diplomatic representatives of the countries involved in political cooperation, in the various capitals and in international organizations. According to Mr SCHMELZER¹ these consultations have become 'an integral part of our diplomatic activities, as has the exchange of information between each country and its partners during visits and on other appropriate occasions'.

20. The permanent representatives of the Nine in the United Nations meet once a week.

21. Preparatory consultations between staff which used to be held in WEU prior to General Assemblies of the United Nations; ECOSOC and FAO are now arranged in the framework of political cooperation.

The subjects of political cooperation

22. As the President-in-Office of the Council of Ministers, Mr Maurice SCHUMANN presented the first annual report to the European Parliament on 10 June 1971 in which he concentrated on outlining the Luxembourg report. The Second Annual Report was presented by Mr Norbert SMELZER on 15 November 1972 and examined in more detail the procedure for consultations and certain specific areas of cooperation.

23. Five colloquies have been held between the President of the Council and the members of the European Parliament's Political Affairs Committee, i.e. on 20 November 1970, 11 June and 18 November 1971, and 12 June and 23 November 1972. The Commission of the European Communities was represented at these colloquies by the President or one of the Members of the Commission.

24. In addition to the exchanges of views on topical matters at all the meetings of ministers and of the Political Committee and to the discussions in preparation for the Paris Summit Conference in October 1972, the following subjects have been discussed or studied as far as we know:

1. study of a Community approach to a solution of the Middle East conflict;
2. determination of a position on procedures and items for the agenda of a conference on European Security and Cooperation (CESC);
3. problems of the Mediterranean region with special reference to relations between the European Community and countries bordering on that sea;
4. recognition of Bangladesh and North Vietnam.

¹See his report of 15 November to the European Parliament, (OJ 155, November 1972, p.89).

re l above

25. A decision to consider this subject was already taken at the first ministerial conference (Munich, 19 November 1970). An initial report by the Political Committee was approved by the Ministers in Paris on 13 May 1971.

The content of this report, which has never been published, elicited protests from the Israeli government which saw it as an expression of support for Egypt and the other Arab countries involved in the conflict.

In his report to the European Parliament on 15 November 1972, the President-in-Office of the Council stated:

'In regard to the Middle East, Member States made a detailed study enabling them to harmonize their points of view. We did not seek to indicate a preference for one of the parties in the conflict; on the contrary we gave support to the efforts made by the UN representative, Mr JARRING, to bring them closer together. In the United Nations we have also achieved a measure of harmonization on this matter: the Member States adopted a common position for voting purposes.'

26. The President of the Council was referring here to the resolution on 'The situation in the Middle East' adopted on 8 December 1972 by 86 votes in favour (including the EEC countries with the exception of Denmark which abstained) to 7 against with 31 abstentions.

This resolution, submitted by Senegal on behalf of 19 non-aligned countries, was strongly anti-Israeli in character in its original wording. It could also have been interpreted as a departure from the well-known Resolution 242 of the Security Council (1967). An amendment tabled by the United Kingdom, on behalf also of France, Italy, Belgium and Luxembourg, and inserted in the preamble stipulated that this Security Council resolution should be implemented in full¹. In addition, a number of other passages were toned down and made less biased.

27. In the examination of the Middle East problem, the possibility of (a) regional aid to this area after a settlement of the conflict and (b) short-term aid to Palestine refugees in the form of food and training was considered. The European Commission participated in this part of the study. Initial practical measures have recently been taken in the food aid sphere. Moreover the European Commission has presented a proposal to the Council for a fairly extensive three-year aid programme (to take effect as soon as a peace settlement has been reached).

¹This resolution establishes so precise a relationship between the evacuation of the occupied territories and the security of frontiers that these two considerations are inextricably linked.

28. Your rapporteur does not intend to comment here on the possibility and desirability of a 'European political initiative' to solve the Middle East conflict. The Political Affairs Committee has in fact appointed Mr SCELBA rapporteur to deal with this question.

Referring to the progress of political cooperation in this area, he feels that he can state that:

- there are differences of opinion between the Member States on certain aspects of this conflict and on the possibility or desirability of a European initiative;
- Member States have agreed on a policy aiming to exercise a moderating influence through diplomatic channels (especially in the United Nations);
- there is a real willingness to contribute to the restoration of peace in this region in the long-term through practical socio-economic and socio-cultural aid;
- points of contact exist with the European Communities in the approach to this problem.

Re 2 above

29. This subject was also broached in Munich in November 1970, well before agreement was reached to open preparatory multilateral talks in Helsinki in November 1972.

For this purpose a special sub-committee was formed in the Political Committee and an ad hoc working party on East-West economic cooperation. The Commission is represented on this working party. It is also represented when these economic matters are discussed by the Political Committee and at ministerial meetings.

In the article referred to above, Mr Van LYNDEN also wrote that 'it is primarily in the sphere of the definition of a common attitude for the European Security Conference that political cooperation has borne fruit.'

This is certainly the most important subject since the future of Europe is directly at stake here.

30. In his report to the European Parliament, the President-in-Office of the Council stated that the Paris Summit Conference had confirmed the policy of détente and cooperation. He stressed, however, that 'this must not be allowed to affect the completion and deepening of European integration'.

Mr SCHMELZER believed that if trade was discussed at the conference, the Member States should adopt a 'common position'.

Your rapporteur believes that the minister's statement implies the definite rejection of any 'droit de regard' which the Soviet Union may attempt to claim for itself through a 'permanent pan-European body' or any other channels.

31. The CESC has a direct bearing on the powers of the European Communities. The European Parliament is well aware of this fact and its Political Affairs Committee has appointed Mr RADOUX rapporteur on the CESC. In addition on 15 November a resolution was approved on the preliminary multi-lateral talks in Helsinki, calling upon the Member States of the Community to 'work out a common policy according with the aims laid down for the Community by the Conference of Heads of State or Governments with a particular view to safeguarding the Community's rights.'

32. The Community countries do not wish to appear as a bloc in Helsinki. However, a number of common positions or guidelines have been laid down through political consultations on the basis of various studies, and consultations are to continue permanently between the Nine. Representatives of the European Commission will attend consultations on subjects falling within the Community's terms of reference. If these subjects come up for discussion at the preparatory multi-lateral conference, the country holding the Presidency of the Council will act as spokesman for the Community.

33. With reference to cooperation between Member States on the CESC, the question arose as to the relationship between this type of consultation and consultation in the North Atlantic Council in which all the Member States, with the exception of Ireland, take part. The risk of interference with consultations on the CESC in the wider framework of the Atlantic Alliance was not imaginary. Officials from the national NATO delegations were therefore taking part in the work of the sub-committee on the CESC. The President-in-Office of the Council had stated on this matter that 'in practice it had fortunately proved possible to prevent difficulties so that European consultations cannot be seen as a bone of contention in NATO.'

Re 3 above

34. This subject was raised because of the need to adapt the many and widely varying agreements concluded between the European Community and the Mediterranean countries to the new situation created by the enlargement of the Community. A wish has been expressed here for a more general approach,¹

¹See also Rossi report (Doc. 302/72)

as already advocated by the European Parliament, to the problems of the Mediterranean region, and the need to take account of political developments in this area which is so vitally important to Europe has been stressed. The question of a common economic and political policy towards the Mediterranean countries has been broached. A special working party has been set up on this matter in which the European Commission is also represented.

It was decided that matters pertaining to an overall Community approach (including both the economic and political aspects) should be handled by the Committee of Permanent Representatives. In addition, a Working Party on the Mediterranean was set up within the Political Affairs Committee which would hence forward deal with the situation of countries in this area.

Your rapporteur considers it important to point out that we are dealing here with a question with which - at least in regard to the economic aspects - the Community has had to deal under its own terms of reference even before the Member States decided to consider it under the Davignon procedure.

From the foregoing it is clear to what extent Community activities and intra-governmental political consultation not only overlap: in terms of content they are inextricably linked (albeit not formally speaking).

Re 4 above

35. In the light of developments in Asia (1971-72), instructions were given for ad hoc discussions between experts from Member States. Through ministerial consultations, this led to more or less simultaneous recognition of Bangladesh. For various reasons, absolutely simultaneous recognition which would have demonstrated the existence of a common policy, was not possible.

Other subjects

36. The four subjects referred to above are good examples of the nature and extent of consultations. Your rapporteur believes that they are also the most important subjects to have been dealt with so far, although not the only topics. The President-in-Office of the Council stressed in his report the 'exchanges of views on topical matters which have taken place at all the meetings of Ministers and of the Political Committee covering widely varying areas'.

The Paris Communiqué

37. Section 14 in the Communiqué issued in Paris after the Summit Conference on 19 to 21 October 1972 indicated that political cooperation 'had begun well and should be still further improved'.

It was agreed that 'consultations should be intensified at all levels and that the Foreign Ministers should in future meet four times a year instead of twice for this purpose'. It is therefore evident that meetings of the Political Committee will also be more frequent.

The aims were formulated rather differently than in the Luxembourg report (see sections 4 and 5), i.e. to deal with matters of current interest and as far as possible formulate common positions for the middle and long-term. Although the Luxembourg report also establishes links with the European Communities (see sections 6 to 8), the Paris Communiqué introduces a new element which is expanded on at length, namely that allowance must be made for the implications and effects in the area of international policy of the common policies now being elaborated.

This therefore clearly implies the interesting fact that the Community as such is recognized as a factor in international politics. We shall return to this point later.

Moreover, the Paris Communiqué states that in the case of matters which have a bearing on Community activities, close contact will be maintained with the Community institutions, whereas the Luxembourg report is more reticent in saying that, in such cases, the Commission will be invited to make its opinion known.

The relevant passage in the Paris Communiqué thus goes a step further, even if it is not very specific.

Preparation of the second report

38. The Luxembourg report (part three) instructed the Ministers to submit their second general report at the latest two years after the beginning of consultations on foreign policy. This report should not only contain an evaluation of the results obtained through consultation on foreign policy and proposals to improve such cooperation, but also outline the results of their work on the best way of achieving progress towards political unification.

This second report was not submitted at the agreed time (late October 1972). The President-in-Office of the Council attributed this delay to preparations for the Paris Summit Conference. At that Conference it was decided to grant a further delay to the Ministers, expiring on 30 June 1973,

for the presentation of their report on ways of improving political cooperation, as provided for in the Luxembourg report.

It is not clear exactly what is meant here by 'political cooperation'. Your rapporteur assumes that the specific reference to the Luxembourg report means that this term signifies more than cooperation on foreign policy in the strict sense of the words, i.e. 'the best way of making progress towards political unification'. The Luxembourg report (part three, section two) goes on to state that allowance must also be made for the work undertaken in the framework of the European Communities, particularly with a view to strengthening the structures and enabling them, if this should appear necessary, to cope satisfactorily with the increase and development of their tasks.

39. The drafting of this second report is therefore not a simple task, especially as it must be done against the background of

- preparation of the very extensive, if not top-heavy work programme given to the Community by the Paris Summit Conference, in particular for 1973 (although, strictly speaking, the Davignon procedure had nothing to do with this);
- the achievement of a European Union into which, according to the Paris Communiqué (section 7 of the Preamble and section 16 of the text proper) 'the whole complex of the relations of Member States' is to be transformed 'before the end of the present decade and with the fullest respect of the treaties already signed'.

II. The results of two years of political cooperation

40. In the previous section we outlined the aims and practical achievements of political cooperation from the first impulse given by the Hague Summit Conference to the new impetus resulting from the Paris Summit Conference.

What then are the results of these two years of cooperation on foreign policy, organized by the method laid down in the Luxembourg report?

In regard to material content, it will be noted that nothing spectacular has been achieved so far in terms of common action on fundamental problems.

The European Parliament's resolution of 30 June 1971 invited the Foreign Ministers to intensify their work with a view to achieving at the earliest possible date a united position,¹ in particular on:

- 1) Middle East problems;
- 2) the situation in the Mediterranean region;
- 3) a conference on European Security and Cooperation.

There is as yet no sign of a united position on these subjects. However, it should be pointed out that the Davignon procedure has only recently come into force, at least by comparison with its long and laborious genesis.

Moreover it is generally only at the end of a full Community analysis that the question of the need for, and possibility of undertaking genuine common action can be answered. This analysis is the work of a committee of nine officials who must comply with differing national instructions and who do not have a permanent common secretariat. The decisive question is therefore whether the nine ministers can move beyond their respective national political responsibilities to a political will to accept conclusions and where necessary adopt common points of view or even act jointly. Discussion of the Middle East conflict has shown that this is no easy matter.

As regards the CESC in particular, common points of view have been formulated and a fairly detailed Community agenda established. This is something that can only be welcomed. But, the CESC calls for more, namely a Community policy especially where the European Community is at stake. We must wait until such a policy - which is so vital to the Community's future and to political union - is forged.

¹ In the Hague Communiqué no mention is made of 'speaking with one voice'. The Luxembourg report (part 1, section 8) advocates i.a. developments in the political order proper 'which will bring the day closer when Europe can speak with one voice'. The Preamble to the Paris Communiqué urges that 'Europe must be able to make its voice heard in world affairs, and to make an original contribution commensurate with its human, intellectual and material resources. It must affirm its own views in international relations as befits its mission to be open to the world and for progress, peace and cooperation'.

Your rapporteur is sceptical about the conclusion of bilateral cooperation agreements. Does this practice not carry with it the considerable risk that Member States will compete against each other and try to outbid one another thus rendering the common commercial policy meaningless?

41. We thus arrive at the question of methods, where there have been certain positive developments:

- the fact that contacts at the highest staff level in the Political Committee, as an institutionalized discussion forum, have become much more frequent than originally intended;
- the regular contacts to discuss specific problems at different levels among officials from the nine Foreign Ministries;
- regular contacts and discussion between diplomatic representatives of the Member States in third countries and international organizations.

'Direct integration' between Ministries

Berndt von Staden, the Head of the Political Affairs Department of the Foreign Ministry in Bonn and in that capacity a member of the Political Committee, has referred in an article on 'Political Cooperation in the EEC Countries'¹ to a process of direct integration between the Foreign Ministries, as a consequence of the fact that the idea of a larger institution has been abandoned. To perform its various activities, the Political Committee has been obliged to set up working parties of officials from Ministries who meet for talks. The significance of this process of direct integration should not be underestimated, according to Mr von Staden.

In his report to the European Parliament, the President in Office of the Council also spoke favourably of 'direct integration between our Ministries'.

42. He did so in the framework of a discussion of 'the nature of the possibilities for consultation and the scope of such consultation'. He said that some observers had not attached overmuch importance to the results achieved so far (the formulation of common points of view in various cases). They claimed that Europe should already speak with a single voice on foreign policy. And he went on: 'Our approach is different. It is precisely in the sphere of foreign policy that the history of our countries and their individual interests have played an important role, both in regard to fundamental matters and in terms of the approach chosen. A common policy can only be reached by a gradual process. As our interests grow closer together, political cooperation will also become a reality.'

¹ Aussenpolitik, April 1972.

43. It is of course true that the foreign policy of the Member States has a strong national colouring which is the expression of national history and traditions, geo-political situation, ability or inability to exercise power, national interests, and what pass as such, and certain complicated patterns of relations. There are accordingly wide differences both in regard to concepts, intensity, scope and styles of action. It may even be said that, side by side with direct national interests in the broad sense of the term, the domestic policy situation and the position of a government, and even of the individual position of a minister in it (in which connection party political considerations also come into play) may have a significant bearing on the conduct of foreign policy.

The gradual harmonization of nine different foreign policies determined primarily by national characteristics and which may also have widely varying individual effects, is of course a long drawn out process. And for this process 'direct integration' is of great importance.

44. However, after making this point, another fundamental aspect must be considered at once. Not only the monocentric framework in which political cooperation has deliberately been placed and to which we drew attention in the first part of this report, but also and above all the fact that, with the establishment of the European Community, the Member States have created a structure whose sphere of action is limited to economics but which nevertheless through its existence, action and even inaction often has far-reaching external economic effects. Indeed the effects are political as well as economic.

Professor Ralf Dahrendorf, a Member of the European Commission, quoted striking examples of this fact in an article entitled 'Possibilities and limitations of a foreign policy for the European Communities'.

The close links between the economy (involving applied technology) and politics are not only a generally recognized fact but also apparent in the practice of political cooperation outlined above. In which of the areas dealt with so far have we not sooner or later come up against a point of contact with the European Economic Community (and its powers)?

45. The existence of the European Economic Community is seen, throughout the world, not simply as an economic factor but also as an important element in international politics: in the developing countries for example the Community has given rise to both criticism and a certain pattern of expectation; rebuttal by the Soviet Union, sympathy tinged with anxiety in the United States, sympathy in the People's Republic of China based on political motives, etc.

Dahrendorf wrote: 'We may or may not want this Europe... We may argue whether it is an incomplete federal state or a developing federation of nation states... We may or may not want a common foreign policy for the European Communities. But none of these controversies alters the fact that the Communities are already an effective force on the world political scene. This means that the Member States cannot escape the effects of the European Communities which they have created, regardless of how they interpret the possibilities and demands of Europe. The six are already trapped in the worldwide political reality of the actions of their child which they do not always love.'

46. Von Staden also wrote: 'In general the EEC has already become an integral part of the present situation,¹ because it already acts as a real political factor.'

As already mentioned (Section 31), Section 14 of the Paris Communiqué refers to the direct consequences and 'international political implications for and effects of Community policies under construction.' This too is a recognition of the political fact that the European Community as such has external political effects. As the many programmes of action outlined by the Paris Summit Conference come to be implemented by Community procedures, this political reality will become even more significant. This development will be best reflected in the irreversible establishment of the economic and monetary union accompanied by closer coordination (through more appropriate Community procedures) of the Member States' economic policy.

Again, an effective regional policy for the Community is bound to have positive and negative effects outside the Community (e.g. relationship between southern Italy and the other Mediterranean countries). The pursuance of a Community energy policy, based on the guarantee of secure and permanent supplies under economically satisfactory conditions is also bound to have important international political implications. And the proposed Community development policy also entails an international political concept, going beyond the controversy between internationalists and regionalists.

47. The European Community is often referred to as a 'power'. Looking at the Community, and certainly the enlarged Community, in numerical terms the figures are indeed impressive. The Norwegian polemicist, Galtung, has even spoken² of the development towards a 'European super-power'. His belief that this development was dangerous led him to oppose Norway's accession vigorously.

¹ He means in the context of political cooperation

² In his book 'De Europese Gemeenschap, een supermacht in opkomst'

A summary of the economic facts is impressive and certainly not unimportant. But the fact of the matter is that the European Community - in the absence of an effective set of political references - has tended to act primarily by reaction as a politically non-aligned and blind force. Dahren-dorf has put it rather more mildly but with no lack of clarity: 'The Communities act with a very incomplete knowledge of what they want and why they want it'. This may be extremely dangerous.

48. A summary of the results of two years of political cooperation must also mention the initiative for the creation of the body responsible for preparing the Foreign Ministers' meetings (political secretariat).

This initiative has failed for various reasons, but above all because the risk of creating a structure completely alongside and parallel to (and perhaps competitive with) the structures of the existing Communities was too great. The problem is still to find a convergent formula by creating an organic link between this possible new body and the organs of the European Community. While recognizing the desirability of careful and thorough preparation of the ministerial meetings, Parliament felt that this body should be established in close cooperation with the existing Community institutions.

III. The road to convergence and integration

49. The Luxembourg report set a development in motion which has not yet had spectacular results but may nonetheless be considered positive from various angles.

The European Commission has achieved greater influence through flexible application of the Davignon procedure than might have been expected on the strength of the Luxembourg report.

This does not alter the fact that, as we have seen in the above paragraphs, political cooperation has been organized to too great an extent parallel to the European Community. The two must be knit closer together if we are to achieve the 'European Union' called for by the Paris Summit Conference by the end of this decade.

The transformation of parallelism and fragmentation into convergence and integration entails as yet no final choice as regards the future of the institutions in practical terms. It is however very much in keeping with the present situation where the Community is a political reality in world affairs. It also follows directly from the perspective adopted in the Luxembourg report and is entirely consonant with the objective set out in the Paris communique: European Union.

International political trends

50. This is all the more true because of the fact that, since the drafting of the Luxembourg report, extremely important international political events have occurred. These confirm that fundamental changes are under way in the system of international relations, forcing the Member States and Communities to make a far-reaching re-appraisal of their position and role in the developing system. The Paris Communique also refers to these far-reaching changes, although very briefly, at the beginning of the preamble.

51. A deeper analysis is certainly called for but it will be sufficient here to draw attention in rather random order to a few events varying in their nature and scope :

- the declaration of the 'Nixon doctrine' whose significance has been heightened by the major electoral success of the President of the United States;
- the end of the international isolation of the People's Republic of China (admission to the United Nations, visit by President Nixon to Peking, rapprochement between Tokyo and Peking);
- signs of growing interest in the European Community on the part of Peking;
- a more independent political line by Japan which has grown into an econ-

- omic super-power;
- the Vietnam truce (27 January 1973) and the international conference held on the matter in Paris in February;
 - visit by President Nixon to Moscow and the resulting agreements (joint policy declaration, Salt I, grain agreement, trade agreement);
 - development of international military and strategic alignments on a triangular pattern (USA-USSR-China) (although the nuclear bi-polarity between the super-powers remains a reality and despite Peking's declaration that it does not intend to become a super-power);
 - the international monetary crisis;
 - the deterioration in the climate between the European Community and the United States;
 - the Treaties of Moscow and Warsaw resulting from Bonn's Ostpolitik, the Berlin settlement and the agreements between Bonn and Pankow;
 - the departure of about 20,000 Soviet military advisors from Egypt;
 - the multilateral preparatory talks in Helsinki on the CESC;
 - the multilateral preparatory talks in Vienna on the possibility of reciprocal and balanced reduction of armed forces;
 - the enlargement of the European Community which is already viewed as an economic super-power by many observers throughout the world.

This list simply indicates the main occurrences and is not exhaustive. The Summit Conference did not attempt to analyse the developments reflected in these events, although the Heads of State or Government stated that the time had come for Europe to become fully aware of the unity of its interests, the extent of its possibilities and the scope of its obligations.

A study in depth of these developments in a future report by the Political Affairs Committee seems to be extremely desirable to your rapporteur. In such a report, a start should also be made at establishing the overall international Community policy which is aimed at.

The Heads of State or Government also formulated in a more detailed and, in your rapporteur's opinion, fuller manner than in the Hague Communique or Luxembourg report, the political objectives of European unification (Paris Communique, preamble 1-7). The text of this Communique suggests that there is a growing political will to draw the appropriate (institutional) conclusions from these political aims. The future will show whether this observation is correct.

Tasks of the Community and Member States

52. In the meantime, we must consider the many tasks now facing the Community as such, including in particular :

- the common commercial policy (Paris Communiqué, section 13) Council decision of 16 December 1969) (See also final passage of para. 34);
- the multilateral trade negotiations (Nixon Round) which are of considerable general political importance as they touch both on the Community's autonomy and relations (inter-dependence) with the United States which are so vital to it, as well as the prospects for the developing countries;
- relations with the countries of the Mediterranean region based on a 'balanced overall approach' (to be achieved in 1973);
- renewal of the Yaounde Convention, on which discussions are due to begin in June 1973 and which is also of interest to certain Commonwealth countries;
- the drafting and implementation of a common development policy which is not only a matter of trade, money and technology but also pre-supposes political vision as regards Europe's role in the world of today and tomorrow.
- the Euratom-IAEA negotiations on the safeguards laid down in the non-proliferation treaty;
- relations with the remaining EFTA countries;
- the construction of Economic and Monetary Union, which is vital to the cohesion of the Community, will underwrite its independence and determine its role in the establishment of a sound international monetary system.

Cooperation of the Community and the Member States

53. The developments and measures referred to in 45 and 46 above, require close cooperation between the Community as such and the Member States. Your rapporteur has drafted this document in a practical spirit and does not wish to expound theories which might bring the exchange of ideas onto excessively dogmatic ground.

However, he believes that in the foreign policy sector the main problem is to find an active structure of cooperation and collaboration between the institutions of the Community (whose actions are bound to touch on certain aspects of foreign policy) and the Member States (whose foreign policies must not create distortions or conflict with Community policy measures). A dynamic balance must be struck not in the first place between the power but between the actions and policies of the Community and Member States.

54. At their Paris Conference the Heads of State or Government seem to have recognized this necessity when they appealed to the institutions of the Community and to the Member States on the subjects of external relations (section 11), political cooperation (section 14) and the strengthening of the institutions (section 15).

The further construction of the Community in fact requires assistance and cooperation between all the common and national components in a dynamic spirit which is to lead to the creation of a European Union by the late 1970s.

The 'Secretariat'

55. In this framework the setting up of a 'Secretariat' standing completely apart from the Community, responsible for preparing the quarterly meetings of Member States' Foreign Ministers would not provide a solution to essential problems. It might indeed facilitate the solution of certain practical administrative matters and help to improve the consultation procedure between Foreign Ministers but it could not provide "the bridge" which would ensure an organic link between the action of Member States and that of the Community as a whole.

For this reason the European Parliament has always envisaged the creation of a new body provided that :

- it does not interfere with the powers of the existing communities, and
- is organized to ensure a close and organic link between the activities of the Community and the activities to be pursued in the sphere of foreign policy.

56. Your rapporteur wonders whether better use could not be made of the existing Community structures in this area too.

Daily experience shows increasingly close cooperation between the Commission and Council, since it must not be forgotten that the Council can only act on a proposal from the Commission and that the Commission in turn cannot see its action implemented without agreement by the Council.

Your rapporteur wonders whether consideration might not be given to attaching the political cooperation 'secretariat' to the Council Secretariat; this would allow active and continuous participation by the Commission and respect for the fundamental requirement of parliamentary control.

57. Of course this suggestion requires further examination, since we must consider :

- the risk, in practice, that matters for which the Communities are responsible might be decided by a process of inter-governmental cooperation instead of by Community procedures;
- the possibility of defining common positions and measures in the sphere of foreign policy which might receive the approval of some Member States, while others prefer to abstain without obstructing a consensus between a number of Member States;

- participation on the structural level, in a form which remains to be defined, by the Commission of the Communities and intervention by the European Parliament which must retain its right of political control over all the Communities' actions.

58. The other problem relates to improvement of the present procedure.

The Paris Summit Conference decided that meetings between the Foreign Ministers of the Member States on political cooperation should be held four times each year. Your rapporteur believes that this frequency can be considered suitable, provided it is agreed that each Member State or the Commission of the Communities should, where appropriate, be able to request an extraordinary meeting of the Foreign Ministers.

Ministerial meetings would be particularly useful if they could deal on successive days with both Community matters and matters relating to political cooperation.

A suggestion that goes somewhat further is that Foreign Ministers should come together at least four times a year within the framework of the Council to handle matters which have a bearing on Community activities; this, of course, would be in cooperation with the Commission.

Participation by the Commission

It must also be confirmed that the Commission of the Communities is entitled to participate in the process of political cooperation, at every level. There would be little point in stressing once again the close interdependence which exists between Community actions and decisions to be taken in the sphere of political cooperation.

It should also be understood that in the case of questions for which the Community is competent, the Commission must be given a right of initiative - to be defined more precisely - when a decision of common position must be adopted at the level of the meetings of Foreign Ministers devoted to the subject of political cooperation.

59. The present procedure could not be strengthened without a parallel strengthening of cooperation with the European Parliament.

Your rapporteur believes that the present procedure (meetings twice each year with the Political Affairs Committee and annual discussions with the European Parliament) could be usefully supplemented as follows :

- (a) immediately after each meeting of the Foreign Ministers there should be a possibility for the Ministers to talk to members of the Political Affairs Committee of the European Parliament; this meeting should form part of the programme of each Foreign Ministers' meeting;
- (b) a report should be presented by the President in Office of the Council, perhaps accompanied by other Foreign Ministers, to the plenary assembly twice each year;
the point of departure in this instance should be that substantive statements are made so that an equally substantive debate can be held immediately afterwards;
- (c) during the meetings with the Foreign Ministers the Parliament's Political Affairs Committee should be able to ask for particular problems to be entered on the agenda of the next Foreign Ministers' meeting¹.
- (d) as often as the European Parliament deems desirable, it should be able to hold debates on key matters in the sphere of foreign policy, in the presence of the Commission and if possible, the Ministers for Foreign Affairs.
- (e) the resolutions adopted by the European Parliament should be examined by the Foreign Ministers.

Military Cooperation

60. In paragraph 11 brief mention is made of the fact that in the long-term defence and security policy can not remain outside the scope of political cooperation. It is however clear that this is a delicate subject about which Member States' Governments and Parliaments hold different views. This is one of the reasons why paragraph 11 is formulated so "cautiously".

All Member States, except for Ireland, are partners in the North Atlantic Alliance. With the exception of France, they take part in "integrated" defence. Again, with the exception of France, they belong to the "Eurogroup" in NATO. Seven of the nine Member States moreover are members of Western European Union.

The Brussels Treaty which underlines this Union is still of considerable importance even if only because of the automatic defence clause contained in the Treaty.

¹ Since the Bonn Summit Conference of 18 July 1961, the European Parliament is already entitled to examine all matters relating to foreign policy.

The WEU has not however evolved into a body for effective military cooperation.

In view in particular of the enormous increase in the cost of maintaining adequate (until now national) armed forces it is in the meantime becoming increasingly clear that the European countries, including the Member States, must work together more closely and more effectively in the conventional military sphere, and thus in the sphere of research into and development of new weapons, joint purchase and production of new weapons, logistics programmes and reciprocal adjustment of operational arms.

Your rapporteur is indeed in favour of cooperation in the conventional military sphere, at least as regards the aspects described above. He has emphasised the word "conventional" because he is convinced that nuclear cooperation, in as far as this means striving towards a European nuclear arm, will not only increase international tension but also be tantamount to placing a time bomb beneath the European Community.

The 'main objective' set by the Paris Summit was to 'transform before the end of the present decade the whole complex of their relations into a European union'. It must be assumed that military and security links also form part of this complex.

Extracts

from the report of the foreign ministers to the heads of state or
Government of the Member States of the Community
(Doc. 155/70)

Part Two

The ministers propose the following
.....

VI. European Parliamentary Assembly

If the building of the political union is to be given a democratic character, public opinion and its representatives must be involved.

The ministers and the members of the Political Affairs Committee will meet together in six-monthly colloquies to discuss matters on which consultations take place within the framework of cooperation in the field of foreign policy. These colloquies will be of an informal nature so that parliamentarians and ministers can express themselves freely.

.....

Part Three

.....

4. The President-in-Office of the Council will make an annual communication to the European Parliamentary Assembly on the progress of this work.'

.....

Text of the Communiqué issued by the
Heads of State or of Government of the
Countries of the Enlarged Community at
their meeting in Paris on the 19th and
20th of October 1972

C O M M U N I Q U E

The Heads of State or of Government of the countries of the enlarged Community, meeting for the first time on the 19th and the 20th of October 1972 in Paris, at the invitation of the President of the French Republic, solemnly declare:

At the moment when enlargement, decided in accordance with the rules in the Treaties and with respect for what the six original Member States have already achieved, is to become a reality and to give a new dimension to the Community;

At a time when world events are profoundly changing the international situation;

Now that there is a general desire for détente and cooperation in response to the interest and the wishes of all peoples;

Now that serious monetary and trade problems require a search for lasting solutions that will favour growth with stability;

Now that many developing countries see the gap widening between themselves and the industrial nations and claim with justification an increase in aid and a fairer use of wealth;

Now that the tasks of the Community are growing, and fresh responsibilities are being laid upon it;

The time has come for Europe to recognise clearly the unity of its interests, the extent of its capacities and the magnitude of its duties;

Europe must be able to make its voice heard in world affairs, and to make an original contribution commensurate with its human intellectual and material resources. It must affirm its own views in international relations, as befits its mission to be open to the world and for progress, peace and

cooperation.

To this end:

(1) The Member States reaffirm their determination to base the development of their Community on democracy, freedom of opinion, the free movement of people and of ideas and participation by their peoples through their freely elected representatives;

(2) The Member States are determined to strengthen the Community by establishing an economic and monetary union, the guarantee of stability and growth, the foundation of their solidarity and the indispensable basis for social progress, and by ending disparities between the regions;

(3) Economic expansion is not an end in itself. Its first aim should be to enable disparities in living conditions to be reduced. It must take place with the participation of all the social partners. It should result in an improvement in the quality of life as well as in standards of living. As befits the genius of Europe, particular attention will be given to intangible values and to protecting the environment, so that progress may really be put at the service of mankind;

(4) The Community is well aware of the problem presented by continuing underdevelopment in the world. It affirms its determination within the framework of a world-wide policy towards the developing countries, to increase its efforts in aid and technical assistance to the least favoured people. It will take particular account of the concerns of those countries towards which, through geography, history and the commitments entered into by the Community, it has specific responsibilities;

(5) The Community reaffirms its determination to encourage the development of international trade. This determination applies to all countries without exception. The Community is ready to participate as soon as possible, in the openminded spirit that it has already shown, and according to the procedures laid down by the IMF and the GATT, in negotiations based on the principle of reciprocity. These should make it possible to establish, in the monetary and commercial fields, stable and balanced economic relations in which the interests of the developing countries must be taken fully into account.

(6) The Member States of the Community, in the interests of good neighbourly relations which should exist among all European countries whatever their régime, affirm their determination to pursue their policy of

détente and of peace with the countries of Easter Europe, notably on the occasion of the Conference on Security and Cooperation in Europe, and the establishment on a sound basis of a wider economic and human cooperation;

(7) The construction of Europe will allow it, in conformity with its ultimate political objectives, to affirm its personality while remaining faithful to its traditional friendships and to the alliances of the Member States, and to establish its position in world affairs as a distinct entity determined to promote a better international equilibrium, respecting the principles of the Charter of the United Nations. The Member States of the Community, the driving force of European construction, affirm their intention to transform before the end of the present decade the whole complex of their relations into a European Union.

Economic and Monetary Questions

1. The Heads of State or of Government reaffirm the determination of the Member States of the enlarged European Communities irreversibly to achieve the economic and monetary Union, confirming all the elements of the instruments adopted by the Council and by the representatives of Member States on 22 March 1971, and 21 March 1972.

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

The Heads of State or Government reaffirmed the principle of parallel progress in the different fields of the economic and monetary Union.

2. They declared that fixed but adjustable parities between their currencies constitute an essential basis for the achievement of the Union and expressed their determination to set up within the Community mechanisms for defence and mutual support which would enable Member States to ensure that they are respected.

They decided to institute before 1 April 1973, by solemn instrument, based on the EEC Treaty, a European Monetary Cooperation Fund which will be administered by the Committee of Governors of Central Banks within the context of general guidelines on economic policy laid down by the Council of Ministers. In an initial phase the Fund will operate on the following bases:

- concerted action among the Central Banks for the purposes of narrowing the margins of fluctuation between their currencies;
- the multilateralisation of positions resulting from interventions in Community currencies and the multilateralisation of intra-Community settlements;
- the use for this purpose of a European monetary unit of account;
- the administration of short term monetary support among the Central Banks;
- the very short term financing of the agreement on the narrowing of margins and short term monetary support will be regrouped in the Fund under renovated mechanism; to this end, short term support will be adjusted on the technical plane without modifying its essential characteristics and in particular without modifying the consultation procedures they involve.

The competent bodies of the Community shall submit reports:

- not later than 30 September 1973, on the adjustment of short term support;
- not later than 31 December 1973, on the conditions for the progressive pooling of reserves.

3. The Heads of State or of Government stressed the need to co-ordinate more closely the economic policies of the Community and for this purpose to introduce more effective Community procedures.

Under existing economic conditions they consider that priority should be given to the fight against inflation and to a return to price stability. They instructed their competent Ministers to adopt, on the occasion of the enlarged Council of 30 and 31 October 1972, precise measures in the various fields which lend themselves to effective and realistic short term action towards these objectives and which take account of the respective situations of the countries of the enlarged Community.

4. The Heads of State or of Government express their determination that the Member States of the enlarged Community should contribute by a common attitude to directing the reform of the international monetary system towards the introduction of an equitable and durable order.

They consider that this system should be based on the following principles:

- fixed but adjustable parities;
- the general convertibility of currencies;
- effective international regulations of the world supply of liquidities;
- a reduction in the rôle of national currencies as reserve instruments;
- the effective and equitable functioning of the adjustment process;
- equal rights and duties for all participants in the system;
- the need to lessen the unstablising effects of short term capital movements;
- the taking into account of the interests of the developing countries.

Such a system would be fully compatible with the achievement of the Economic and Monetary Union.

Regional Policy

5. The Heads of State or of Government agreed that a high priority should be given to the aim of correcting, in the Community, the structural and regional imbalances which might affect the realisation of Economic and Monetary Union.

The Heads of State or of Government invite the Commission to prepare without delay a report analysing the regional problems which arise in the enlarged Community and to put forward appropriate proposals.

From now on they undertake to coordinate their regional policies. Desirous of directing that effort towards finding a Community solution to regional problems, they invite the Community Institutions to create a Regional Development Fund. This will be set up before 31 December 1973, and will be financed, from the beginning of the second phase of Economic and Monetary Union, from the Community's own resources. Intervention by the fund in coordination with national aids should permit, progressively with the realisation of Economic and Monetary Union, the correction of the main regional imbalances in the enlarged Community and particularly those resulting from the preponderance of agriculture and from industrial change and structural underemployment.

Social Policy

6. The Heads of State or Heads of Government emphasised that they attached as much importance to vigorous action in the social field as to the achievement of the Economic and Monetary Union. They thought it essential to ensure the increasing involvement of labour and management in the economic and social decisions of the Community. They invited the Institutions, after consulting labour and management, to draw up, between now and 1 January 1974, a programme of action providing for concrete measures and the corresponding resources particularly in the framework of the Social Fund, based on the suggestions made in the course of the Conference by Heads of State and Heads of Government and by the Commission.

This programme should aim, in particular, at carrying out a coordinated policy for employment and vocational training, at improving working conditions and conditions of life, at closely involving workers in the progress of firms, at facilitating on the bases of the situation in the different countries the conclusion of collective agreements at European level in appropriate fields and at strengthening and coordinating measures of consumer protection.

Industrial, Scientific and Technological Policy

7. The Heads of State or of Government consider it necessary to seek to establish a single industrial base of the Community as a whole. This involves the elimination of technical barriers to trade as well as the elimination, particularly in the fiscal and legal fields, of barriers which hinder closer relations and mergers between firms, the rapid adoption of a European company statute, the progressive and effective opening up of public sector purchases, the promotion on a European scale of competitive firms in the field of high technology, the transformation and conversion of declining industries, under acceptable social conditions, the formulation of measures to ensure that mergers affecting firms established in the Community are in harmony with the economic and social aims of the Community, and the maintenance of fair competition as much within the Common Market as in external markets in conformity with the rules laid down by the treaties.

Objectives will need to be defined and the development of a common policy in the field of science and technology ensured. This policy will require the coordination, within the Institutions of the Community, of national policies and joint implementation of projects of interest to the Community.

To this end, a programme of action together with a precise timetable and appropriate measures should be decided by the Community's Institutions before 1 January 1974.

Environmental Policy

8. The Heads of State or of Government emphasised the importance of a Community environmental policy. To this end they invited the Community Institutions to establish, before 31 July 1973, a programme of action responsibilities incumbent on Europe.

Energy Policy

9. The Heads of State and Heads of Government deem it necessary to invite the Community Institutions to formulate as soon as possible an energy policy guaranteeing certain and lasting supplies under satisfactory economic conditions.

External Relations

10. The Heads of State or of Government affirm that their efforts to construct their Community attain their full meaning only in so far as Member States succeed in acting together to cope with the growing world responsibilities incumbent on Europe.

11. The Heads of State or of Government are convinced that the Community must, without detracting from the advantages enjoyed by countries with which it has special relations, respond even more than in the past to the expectations of all the developing countries.

With this in view, it 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, agreements which should be the subject of an overall and balanced approach.

In the same perspective, in the light of the results of the UNCTAD Conference and in the context of the Development Strategy adopted by the United Nations, the Institutions of the Community and Member States are invited progressively to adopt an overall policy of development cooperation on a worldwide scale, comprising, in particular, the following elements:

- the promotion in appropriate cases of agreements concerning the primary products of the developing countries with a view to arriving at market stabilisation and an increase in their exports.
- the improvement of generalised preferences with the aim of achieving a steady increase in imports of manufactures from the developing countries.

In this connection the Community institutions will study from the beginning of 1973 the conditions which will permit the achievement of a substantial growth target.

- an increase in the volume of official financial aid.
- an improvement in the financial conditions of this aid, particularly in favour of the least developed countries, bearing in mind the recommendations of the OECD Development Assistance Committee.

These questions will be the subject of studies and decisions in good time during 1973.

12. With regard to the industrial countries, the Community is determined, in order to ensure the harmonious development of world trade :

- to contribute, while respecting what has been achieved by the Community, to a progressive liberalisation of international trade by measures based on reciprocity and relating to both tariffs and non-tariff barriers;
- to maintain a constructive dialogue with the United States, Japan, Canada and its other industrialized trade partners in a forthcoming spirit, using the most appropriate methods.

In this context the Community attaches major importance to the multi-lateral negotiations in the context of GATT in which it will participate in accordance with its earlier statement.

To this end, the Community Institutions are invited to decide not later than 1 July 1973 on a global approach covering all aspects affecting trade.

The Community hopes that an effort on the part of all partners will allow these negotiations to be completed in 1975.

It confirms its desire for the full participation of the developing countries in the preparation and progress of these negotiations which should take due account of the interests of those countries.

Furthermore, having regard to the agreements concluded with the EFTA countries which are not members, the Community declares its readiness to seek with Norway a speedy solution to the trade problems facing that country in its relations with the enlarged Community.

13. In order to promote détente in Europe, the Conference reaffirmed its determination to follow a common commercial policy towards the countries of Eastern Europe with effect from 1 January 1973; Member States declared their determination to promote a policy of cooperation, founded on reciprocity, with these countries.

This policy of cooperation is, at the present stage, closely linked with the preparation and progress of the Conference on Security and Cooperation in Europe, to which the enlarged Community and its Member States are called upon to make a concerted and constructive contribution.

Political Cooperation

14. The Heads of State or of Government agreed that political cooperation between the Member States of the Community on foreign policy matters had begun well and should be still further improved. They agreed that consultations should be intensified at all levels and that the Foreign Ministers should in future meet four times a year instead of twice for this purpose. They considered that the aim of their cooperation was to deal with problems of current interest and, where possible, to formulate common medium and long term positions, keeping in mind, inter alia, the international political implications for and effects of Community policies under construction. On matters which have a direct bearing on Community activities, close contact will be maintained with the Institutions of the Community. They agreed that the Foreign Ministers should produce, not later than 30 June 1973, a second report on methods of improving political cooperation in accordance with the Luxembourg report.

Reinforcement of Institutions

15. The Heads of State or Government recognised that the structures of the Community had proved themselves, though they felt that the decision-making procedures and the functioning of the Institutions should be improved, in order to make them more effective.

The Community Institutions and, where appropriate, the Representatives of the Governments of Member States are invited to decide before the end of the first stage in the achievement of the economic and monetary Union, on the basis of the report which the Commission, pursuant to the resolution of 22

March 1971, is to submit before 1 May 1973; on the measures relating to the distribution of competences and responsibilities among the Community Institutions and Member States which are necessary to the proper functioning of an economic and monetary Union.

They felt it desirable that the date on which meetings of national Cabinets were normally held should be the same so that the Council of the Communities could organise itself with a more regular timetable.

Desiring to strengthen the powers of control of the European Parliamentary Assembly, independently of the date on which it will be elected by universal suffrage under Article 138 of the Treaty of Rome, and to make their contribution towards improving its working conditions, the Heads of State or Government, while confirming the decision of 22 April 1970 of the Council of the Communities, invited the Council and the Commission to put into effect without delay the practical measures designed to achieve this reinforcement and to improve the relations both of the Council and of the Commission with the Assembly.

The Council will, before 30 June 1973, take practical steps to improve its decision-making procedures and the cohesion of Community action.

They invited the Community Institutions to recognise the right of the Economic and Social Committee in future to advise on its own initiative on all questions affecting the Community.

They were agreed in thinking that, for the purpose in particular of carrying out the tasks laid down in the different programmes of action, it was desirable to make the widest possible use of all the dispositions of the Treaties, including Article 235 of the EEC Treaty.

European Union

16. The Heads of State or Government, having set themselves the major objective of transforming, before the end of the present decade and with the fullest respect for the Treaties already signed, the whole complex of the relations of Member States into a European Union, request the Institutions of the Community to draw up a report on this subject before the end of 1975 for submission to a Summit Conference.

MOTION FOR A RESOLUTION

tabled by Sir Tufton Beamish
on behalf of the Conservative Group

on the development of the Community's external relations with special reference to the role of the European Parliament

(Doc. 306/72)

(PE 32.377)

The European Parliament,

- in view of the statement in the European Summit communique that Member States must act together 'to cope with the growing world responsibilities incumbent on Europe',
- recalling its resolution of 5 July 1972 advocating 'an external policy common to all Member States',
- 1. Calls on the Council of the European Communities to make proposals for the conduct of the Community's external relations, avoiding the present overlapping between European institutions and other intergovernmental bodies and guaranteeing regular consultation with the European Parliament, invoking if thought necessary Article 235 of the EEC Treaty;
- 2. Believes that it is of the greatest importance that the European Parliament uses its right of initiative to examine major issues of foreign policy and to propose common lines of action by Member States and that debates on these issues be held in the presence of representatives of the Council and Commission;
- 3. Instructs the Political Affairs Committee to draw up as soon as possible a report on the above matters;
- 4. Looks forward to the opportunity to debate the Council's views when the President's report on the progress towards political union is debated in Parliament in June;
- 5. Instructs its President to forward this resolution to the Council and Commission of the European Communities.