

EUROPEAN SUMMIT CONFERENCE

PARIS, OCTOBER 19 TO 21, 1972

**Official French Statements
Joint Declaration**

AMBASSADE DE FRANCE

SERVICE DE PRESSE ET D'INFORMATION

972 FIFTH AVENUE, NEW YORK 21, N. Y. REgent 7-9700

72/157

THE EUROPEAN SUMMIT CONFERENCE

WELCOMING ADDRESS BY GEORGES POMPIDOU

PRESIDENT OF THE FRENCH REPUBLIC

OCTOBER 19, 1972

I declare the conference of chiefs of state open.

On behalf of France, I would first like to welcome all of you as heads of government; no one will be surprised that I have a special thought for the prime ministers of Denmark, Ireland and the United Kingdom who are participating for the first time in this conference of the enlarged Community. Their presence by the side of the six founding members makes our meeting quite exceptional and, in consequence, imposes obligations on us, in particular the obligation not to disappoint the public, to make a number of specific decisions and to reach a number of concrete results in the progress of European construction.

It seems to me that we must also set ourselves the task of laying down the general outlines of Europe's future, at least for the medium term. I am convinced that direct contacts between us and the common determination which motivates us will allow us to achieve these results despite the differences which may exist with regard to the methods and means.

May the Paris conference reach these objectives and justify these hopes. France, for her part, will do her best.

And now gentlemen, I propose to give the floor to the Prime Minister of the Netherlands, whose country currently holds the office of President in the Community of the Six.

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ADDRESS DELIVERED BY GEORGES POMPIDOU

PRESIDENT OF THE FRENCH REPUBLIC

AT THE OPENING SESSION, OCTOBER 19, 1972

Within these walls, calm once again, I should like to express anew France's satisfaction at welcoming you, who bear the major responsibility of the expanding Community, and especially the heads of the governments of Denmark, Ireland and Great Britain. It will surprise no one to hear me declare to Mr. Heath that his nation's entry adds a new dimension to our Community, and that I am particularly happy at the successful outcome of negotiations that were marked by many vicissitudes. The faith and resoluteness that you showed, Mr. Prime Minister, finally triumphed, and you know how pleased I am at this. It goes without saying that my welcome is also extended to the president and vice presidents of the Commission.

Nonetheless, we meet not merely to exchange compliments, but to act; to propose and to decide. To my mind, any hesitancy now would be doubly dangerous. It would risk delaying the construction of Europe. It might also lead governments to allow their determination to lag behind events so that, imperceptibly, the Europe created would be a purely mercantile one, which is not and cannot be our goal.

It is befitting that, within the framework of the agenda drawn up by our ministers of foreign affairs, we determine accurately our points of agreement, the decisions that accrue, the manner and timetable of their application, the new paths that we wish to follow and their general implications. I shall attempt to provide you with a brief review of French positions, following which each of you will undoubtedly wish to expose the arguments of his own government.

*Economic
and Monetary
Union*

At the Conference of The Hague, the Community selected, as a priority objective, the step-by-step establishment of an economic and monetary union. Circumstances call for our meeting to make substantial progress toward this end. I do not think that this is the moment to go into details of the measures proposed by our ministers and I will do no more than recall certain general principles.

Our aim is to proceed beyond a customs union and free trade to a situation in which our states pursue concerted, harmonious and, eventually, unified economic and monetary policies.

The Community must consequently be determined to protect the currencies of member countries against speculation, to fight against inflation (and the rising prices which symbolize it), to advance toward the creation of a distinctive European monetary zone, and to contribute to the reform of the international monetary system.

In the economic sphere, our primary concern must be the fight against inflation. On this occasion, we can only touch lightly on the means to be employed, but we must instruct our finance ministers to produce a cohesive plan of action within an agreed time limit.

In the monetary sphere, we must take all measures conducive to the pursuance of a common policy by our governments and central banks, aimed at turning Europe into an integrated zone demonstrating stability and growth. We have been presented with concrete proposals which I believe we should approve and, in some aspects, reinforce. I allude, for example, to the European Monetary Cooperation Fund. This afternoon, we shall have the opportunity to examine this matter in detail. I should like to express forthwith my impression that this Fund should be established at a predetermined date in the near future, that its operations should naturally be carried out in a Community unit of account, that the initial funds should eventually be moderately increased, and that finally France, for reasons above national considerations, but rather for the benefit of the entire Community, may expect member countries to favor the gradual pooling of a portion of the resources of their central banks into the Fund.

*European
Monetary
Cooperation
Fund*

Such an attitude would lend substance to our resolution to intensify our contacts and to expedite our studies sufficiently to be in a position to adopt identical standpoints in discussions on the reform of the international monetary system, in which Europe must speak with a single voice, as in matters of trade. In the monetary field, more than any other, it befits us to proceed beyond declarations of intent, because events, we know, will inexorably put European solidarity to the test, this solidarity that it is our duty to forge.

Furthermore, the creation of a Fund will confirm our desire for a systematic coordination of Community efforts in the monetary field. This proposal would also, and especially, signify

that the era of unilateral decisions is behind us. In this respect, the Community should reaffirm its belief in the principle of fixed parities, which are a fundamental element of monetary order.

This naturally leads me to say a few words on the relations of the Community with the rest of the world. I shall start with the most important of all, namely, the economic relations of the Community with the United States of America.

*EEC Relations
With the US*

Our links with this great country, the world's foremost economic power, with which eight of our countries are united within the Atlantic alliance, are so close that it would be absurd to conceive of a Europe constructed in opposition to it. But the very closeness of these links requires that Europe affirm its individual personality with regard to the United States. Western Europe, liberated from armies thanks to the essential contribution of American soldiers, reconstructed with American aid, having looked for its security in alliance with America, having hitherto accepted American currency as the main element of its monetary reserves, must not and cannot sever its links with the United States. But neither must it refrain from affirming its existence as a new reality. Whether the matter concerns trade discussions, toward which we are disposed since our record is clean, or whether it concerns the reform of the monetary system, which must necessarily include a return to the convertibility of the dollar, a new definition of reserve instruments, the development of trade and the control of speculative capital, solutions can be devised and this was confirmed at the last session of the IMF.

Solutions will only be found if each one of us abandons his reservations and his mistrust of the imagined reservations of others, and if each decides to consider the problems realistically and with a willingness to understand the points of view of all and, as far as we Europeans are concerned, with a deep awareness of the common interests of our peoples. I disregard, for my part, any doctrinal discussion. To use a particularly touchy example, which is the price of gold, I do not think that its revaluation would be a universal panacea. However, no one will convince me that 38 dollars an ounce is the right price when, at such a price, no one is willing to sell and everybody wants to buy. This is a matter which will have to be discussed some day.

A firm and united position by the Community in tomorrow's great discussions will not be a cause for confrontation, but a factor of balance. This is my conviction, as soon as we are all convinced of our foreign friendships and of our determination to make of the Community a center of trade expansion and not a bastion of protectionism.

*Relations
With Eastern
Europe*

This gives me the opportunity to recall the importance which France attaches to trade with Eastern European countries, and particularly with the Soviet Union. If the construction of Europe is to allow us to be distinct from the United States, without cutting ourselves off from it, this must not hinder the development of economic, technical and commercial relations between the two halves of our continent, a development which is, moreover, one of the elements of détente and of security. I simply wish to point out that it will be necessary to avoid permitting the system of economic relations from leading to a strengthening of the existing blocs when we feel that the political approach should be in the opposite direction.

*Developing
Countries*

We shall also have to reexamine the Community's relations with developing countries. Two contrasting points of view are involved: one rather regionalist, the other more worldwide. I myself believe that Africa and the Mediterranean must retain a favored status for historical and geographical reasons and because the effort is more within our scope. Everyone knows the particular importance we attach to the Yaoundé Convention and, therefore, to the natural inclination of countries which have adhered to it to see their acquired rights maintained and strengthened. Taking into account the conviction, which I believe is common to us all, that we need to increase Europe's aid to the least privileged part of mankind, we should, in a more general way, define principles which would allow us to decide the attitude of the Community toward developing countries as a whole.

*Joint Action
in New Fields*

The same will apply to a number of other fields into which our aspirations should lead us, most of which are familiar to each one of us, but at the threshold of which the Six have hitherto remained reluctant to enter, as if they feared having to fit their actions to their words. I shall mention, at random, corporate law, the establishment of industrial standards, such as for cars, aeronautical cooperation, long-term energy policy, etc.

*Regional
Policy*

One of these subjects, that of regional policy, is topical. It has sometimes been given to understand that my country was reticent about this. Why should it be? It is a fact that France is one of the countries to have already carried out a most extensive regional development program. But this is perhaps because it was one of the first to realize the need to do so, and it can now understand that others feel a similar need.

I shall briefly indicate our guidelines. The existence of poverty-stricken areas in our countries and therefore within the Community is unhealthy. It is unreasonable to expect that we shall create new Ruhr's everywhere. It is unrealistic to imagine that methods that worked in one area should do so in another, not only on account of customs, people and geographical locations, but also because of the variety of national administrative bodies that are in a better position to define local needs and are moreover the only organizations capable of taking practical measures, if we are to avoid creating a gigantic Community administration. Is it not contradictory to assume that one can centralize action that is by its very nature decentralized, and which has led us in France, the epitome of administrative centralization, to recognize the pressing need for decentralization? It follows therefore that resources distributed on a Community level in accordance with established criteria must, for their exploitation, be judged within the framework of national programs. This does not prevent, but rather enhances concerted action on the Community level aimed at harmonizing these programs, together with subsequent verification of their achievements, in line with procedures to be set up, among which that involving "reimbursement" proposed by the German government strikes me as ingenious. The matter of national responsibilities remains to be dealt with. By this I mean that each country is the primary custodian of its regional equilibrium and that one can ill conceive of Community assistance being substituted for national effort, from the moment that country possesses surplus liquidities which it wishes to employ elsewhere and, if need be, to invest in its partners.

*Social
Progress*

The economic progress we seek and to which our Community has contributed so much, only makes sense if it leads to social progress. The scope of social achievements obviously depends on economic growth. But these achievements themselves have widespread economic repercussions, either because the rise in the standard of living speeds up economic development, while the improvement in working conditions increases output because work is then more willingly offered or because, on the contrary, excessive differences between social achievements in various countries may sometimes

finally distort the normal interplay of competitive forces. This is why we must be particularly aware of the social aspects of our development, so as to examine together the problems which are common to us all, to acquire greater familiarity and achieve more effective coordination of our respective policies in this field, and to attain our objective of making the Community a model of social progress.

To improve this mutual collaboration, we could arrange to call more frequent and more regular meetings than those which our ministers for social affairs already hold periodically, and to associate business and labor leaders more closely in their endeavors, within the framework of the Brussels Economic and Social Committee.

Finally, I should like to emphasize another aspect of the matter. In a Community marked by economic growth, I am struck by the widely manifested reticence, anxiety and lack of enthusiasm. On this point, the president of the Commission has vigorously expounded his views, many of which deserve thoughtful consideration. For a long time, Europe has symbolized not only power and wealth, but quality of life and civilization. It has become abundantly clear that industrial expansion and the growth of cities run counter to many of man's instincts and needs, although they may satisfy others. This is why I hope that through an assured, resolute approach, we will succeed in dealing with matters such as pollution, the environment, working conditions and living standards, so as to offer European peoples a blueprint for living which is compatible with the exigencies of international competition, yet preserves and restores human quality to living patterns. This is the most pressing medium-range problem, at least as important as that of raising standards of living, which we pursue automatically. Europe, the community of stability, must not become a community of stagnation. Europe, the community of prosperity, must not become a community of inflation. But Europe must not become a community of tradesmen. Europe must be designed and constructed in the service of mankind. Thus, and thus alone, can we interest our youth in the European concept; this youth which, while taking for granted the easy benefits of the consumer society, vociferously declares its dissatisfaction with it before finally lapsing into indifference.

I therefore hope that we shall be able to create an organization capable, within a given period, of setting down a sort of general philosophy encompassing the goals to be achieved, together with certain specific, clearly defined courses of action. This organization, drawing largely for help on qualified people and on business and labor leaders, could be called the European

Foundation for the improvement of working and living conditions. It would provide a base for the study of pollution, environment, the adjustment of working hours and conditions, and redefine the tasks and duties within an enterprise. These are just a few examples among others.

I now come to the matter of institutions.

*Community
Institutions*

It is a well-known fact that points of view over this question vary. A preliminary agreement has been reached, I believe, to avoid a recurrence here of doctrinal disputes which would result in a considerable loss of time in our proceedings. Taking into account the entry of three new members and of the manifold complications which it will inevitably provoke in the functioning of the Community bodies, as well as the adaptation period it will call for, it was agreed that we would not at present consider any changes in the Treaty of Rome.

However, improvements can be introduced in the operation of the Community and our governments must be ready to undertake joint action in fields that the Treaty did not specifically mention. France is open to all suggestions.

*Proposed
Improvements*

Thus the work of the Council of Ministers should be improved, either to make it more efficient, or to lighten the burden it represents. Some of our partners have made a number of proposals, such as holding an exceptionally lengthy annual session to clear all outstanding business, and to create European state secretaries who, by taking part in their respective governments' meetings, would be able to make decisions without referring to them. Provided that it does not lead to any additional complications and that the duties of secretaries of state and permanent representatives do not overlap, France is willing to study this formula. Its most normal field of application would be in the link between the Community Council of Ministers and the European Parliament. Such a decision would, I gather, oblige our nine governments to hold their cabinet meetings on the same day, which would also have a symbolic value as far as public opinion is concerned.

As these are fields which have not been expressly mentioned in the Treaty of Rome, France believes that the approach to them must be rigorously pragmatic. Sometimes it will seem that a specifically intergovernmental organization is simpler and more effective. Sometimes we shall find right away in Article 235 of

the Treaty, the possibility of employing standard Community procedures. At still other times, action initiated between governments can subsequently be taken up within the Community framework.

*Role of the
Commission*

A number of areas remain which, for reasons peculiar to one or another of our respective states, must continue to stay on an intergovernmental level. I need hardly insist that for France, this is eminently exemplified by the matter of political coordination of our endeavors, which is vitally necessary yet exceedingly difficult to bring about. In this respect, I should like to clarify France's position concerning the role of the Commission. We sincerely appreciate, as no doubt do all member states, the service it provides, its efficient management, and the significant progress achieved through many of its initiatives. My preceding remarks about Article 235 of the Treaty prove that we are in no way interested in keeping it strictly within the framework of its current attributions. We simply feel that it is up to the governments themselves to define the basic principle concerning matters falling outside the scope of the Treaty of Rome, and to decide exactly when they wish to submit these matters to Community procedures, including the action of the Commission and the other organizations.

I should like to add that it would seem appropriate to me, if everyone agrees and if the Commission has no objections, that the governments of member states propose the future commissioners as quickly as possible. A number of governments have already made their intentions clear. France plans to do the same when our Conference is over. We will thus make it possible for the members of the new Commission to familiarize themselves with Community problems before taking over their posts officially.

Finally, I know the importance our partners attach to the democratic character of the Community. France, believe me, is not the last country to support this view. Why should I conceal the fact that some of the suggested solutions appear premature to us? Yet I only see advantages in enabling the European Parliament to follow more closely the Community's progress, together with the work of the Commission and that of the Council of Ministers, in making its power of control more effective and increasing its means of information, so that closer links may be forged to this end which could be, as I previously stated, one of the normal prerogatives of the European secretaries of state, should their establishment be decided. Other improvements are undoubtedly feasible. The French position is open so long as one does not fail to recognize the fact that political control must remain

in the hands of national parliaments, of which it is the raison d'être which I doubt any one is planning to relinquish.

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Well, gentlemen, these statements have been too long and yet too brief. To conclude, I should like to express certain wishes whose personal character you will kindly excuse. I do not believe that the leading statesmen of our nine countries have met with the intention of losing themselves in the formal or legal discussions which constitute the regular rounds of our permanent representatives and even of our ministers. Nor do I believe that they must limit themselves to statements of principle, however noble. We have undertaken an unprecedented task, and the new members have agreed to join us in the undertaking. It is not normal to attempt to unite states which have been cast by the centuries into highly different molds and whose interests often diverge. But our countries have no alternative. We owe it to ourselves to rise to the level of basic European necessities, by substituting, for the inevitable bargaining for interests, collective, constructive action aimed at resolving problems that arise, problems that we all eventually have to face in a similar context, when looked at in a general manner. May the very fact that you are all united today in Paris provide a good omen and a stimulus to those who, like myself, believe in the need to construct, in this decade, a European union determined to shoulder its destiny.

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EUROPEAN SUMMIT CONFERENCE

JOINT DECLARATION, OCTOBER 21, 1972

The heads of state or government of the countries of the enlarged Community, meeting for the first time on October 19 and 20 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 favor 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 new responsibilities are being laid upon it, the time has come for Europe to recognize 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:

i) 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 partic-

ipation by their peoples through their freely elected representatives;

ii) 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;

iii) 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;

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

v) 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 open-minded spirit that it has already shown, and according to the procedures laid down by the IMF and 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;

vi) The member states of the Community, in the interests of good neighborly relations which should exist among all European countries whatever their regime, affirm their determination to pursue their policy of détente and of peace with the countries of Eastern 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;

vii) 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 government reaffirm the determination of the member states of the enlarged European Communities to achieve irreversibly the economic and monetary union, confirming all the elements of the instruments adopted by the Council and by the representatives of member states on March 22, 1971 and March 21, 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 January 1, 1974, and with a view to its completion not later than December 31, 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 defense and mutual support which would enable member states to ensure that they are respected.

They decided to institute before April 1, 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 the 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 purpose of narrowing the margins of fluctuation between their currencies;

- the multilateralization of positions resulting from interventions in Community currencies and the multilateralization

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 mechanisms; 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 September 30, 1973, on the adjustment of short-term support;

- not later than December 31, 1973, on the conditions for the progressive pooling of reserves.

3. The heads of state or government stressed the need to coordinate 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 meeting of October 30 and 31, 1972, precise measures in the various fields which lend themselves to effective and realistic short-term action toward these objectives and which take account of the respective situations of the countries of the enlarged Community.

4. The heads of state or 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 toward 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 regulation of the world supply of liquidities;
- a reduction in the role 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 unstabilizing 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 government agreed that high priority should be given to the aim of correcting, in the Community, the structural and regional imbalances which might affect the realization of economic and monetary union.

The heads of state or government invite the Commission to prepare without delay a report analyzing 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 toward finding a Community solution to regional problems, they invite the Community institutions to create a Regional Development Fund. This will be set up before December 3, 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 realization 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 emphasized that they attached as much importance to vigorous action in the social field as to the achievement of economic and monetary union. They thought it essential to ensure the increasing involvement of labor and management in the economic and social decisions of the Community. They invited the institutions, after consulting labor and management, to draw up, between now and January 1, 1974, a program 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 program 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 basis of the situation in the different countries the conclusion of collective agreements at the European level in appropriate fields and at strengthening and coordinating measures for consumer protection.

Industrial, Scientific and Technological Policy

7. The heads of state or government consider it necessary to seek to establish a single industrial base for 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 program of action together with a precise timetable and appropriate measures should be decided on by the Community's institutions before January 1, 1974.

Environment Policy

8. The heads of state or government emphasized the importance of a Community environmental policy. To this end they invited the Community institutions to establish, before July 31, 1973, a program of action accompanied by a precise timetable.

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 government affirm that their efforts to construct their Community attain their full meaning only insofar as member states succeed in acting together to cope with the growing world responsibilities incumbent on Europe.

11. The heads of state or 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 fulfillment 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 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 raw materials of the developing countries with a view to arriving at market stabilization and an increase in their exports;

- the improvement of generalized 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 favor 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 liberalization of international trade by measures based on reciprocity and relating to both tariffs and nontariff barriers;

- to maintain a constructive dialogue with the United States, Japan, Canada and its other industrialized trade partners in an outward-looking spirit, using the most appropriate methods.

In this context the Community attaches major importance to the multilateral 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 July 1, 1973 on an overall 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, taking into account 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 toward the countries of Eastern Europe starting January 1, 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.

14. The heads of state or 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 meet in the future 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 currently being drawn up. 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 June 30, 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 recognized 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 economic and monetary union, on the basis of the report which the Commission, pursuant to the resolution of March 22, 1971, is to submit before May 1, 1973, on the measures relating to the distribution of authority 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 organize itself with a more regular timetable.

Desiring to strengthen the powers of control of the European Parliament, 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 toward improving its working conditions, the heads of state or government, while confirming the decision of April 22, 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 Parliament.

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

They invited the Community institutions to recognize the right of the Economic and Social Committee in the future to make recommendations 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 program 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 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.

AMBASSADE DE FRANCE

SERVICE DE PRESSE ET D'INFORMATION

972 FIFTH AVENUE, NEW YORK 21, N. Y. REgent 7-9700

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EUROPEAN SUMMIT CONFERENCE

STATEMENT BY PREMIER PIERRE MESSMER

OCTOBER 19, 1972

Mr. President,

We have met today not so much to celebrate together the progress accomplished as to give new stimulus to the construction of Europe.

*Social Progress
in the
Community*

If there is one area where this stimulus is indispensable and anticipated by all, it is indeed that area on our agenda which falls under a heading that is in itself a program: "Social progress in the Community."

The spectacular results obtained in the field of economic growth, bringing in their wake a constant increase in the standard of living in all the countries of the Community, is a fact that no one would dream of questioning.

However, let us say frankly that the social effects of economic growth have not always been given sufficient consideration. The concerns which are expressed in the most diverse circles, and particularly among young people, about the direction that growth must be given and about the effects of changes on our society have not failed to arouse questions, doubts and even a reconsideration of the goals that the Community sets for its development.

Recent events have shown that many people think that European construction is too often considered the business of a few ministers, meeting in formal halls such as this one, or of a few hundred officials who are wizards at untangling the complexities of Community regulations.

It is our duty to disprove this impression by giving European construction such goals as will attract the support of the people. We should give less priority to a commercial Europe and more to a Europe conceived and realized to serve mankind, as you, Mr. President, clearly stated this morning.

On behalf of the French delegation, I would like both to indicate the guidelines which I think should be adopted and to formulate a few concrete suggestions to implement them.

Four main guidelines can, I believe, orient Community action in the social field in the next few years. They are all based on our determination to make economic growth more humane, to promote a more just distribution of its benefits, to improve working and living conditions and to thus gradually pass from a civilization of quantity to a civilization of quality.

*Employment
and Job
Training*

1) The first guideline concerns employment and job training policy. The memorandum presented by Mr. Brandt contains several interesting proposals on this point. The French government, for its part, hopes in particular that the Community will decide on the principles of an employment policy for the categories of workers that are especially vulnerable to unemployment.

In the type of growth that we ought to have, no one should have to face the inevitability of unemployment, whether he is a young person, an old person, handicapped or simply a person who wants to work part time.

I also want to recall the importance of developing cooperation in the field of occupational training, particularly as concerns educational research, facilities and diploma equivalencies. I hope that we can quickly reach decisions on these subjects in accordance with the guidelines already set forth by the Council of the Communities.

*Improving
Working
Conditions*

2) But it is not enough to ensure full employment; we must try to obtain the best employment for each person. With this in mind, the second guideline for our action must deal with improving working conditions which have too long been secondary among our concerns, but which correspond to the profound aspirations of our contemporaries.

The extension of compulsory or voluntary schooling and the overall improvement in standards of living and comfort make for a type of person for whom purely repetitious work, which requires no initiative and is carried out mechanically, is becoming less and less acceptable. Furthermore, all industrial societies are faced with the problem, regardless of their political structures or ideology.

It is clear that transforming working conditions, a task which is difficult, urgent and implies a long-term effort, is an especially appropriate goal for joint action in the European context. Actually, the equality we need must not be disrupted because of competition.

This problem, it is true, lends itself poorly to regulatory measures both at the national level and at the Community level. It varies widely from one branch of industry to another and requires, over and above simply improving jobs, an adjustment in the concept too often held of the role of the working man. However, it is incumbent on the authorities to create conditions favorable to change by seeking information, undertaking research, encouraging productive experiments and promoting discussions between labor and management on the problems of labor organization.

The improvement of working conditions is one of the major problems of our generation. We have to be determined to solve it, especially by gradually eliminating assembly-line jobs.

*Increased
Participation
in EEC by
Labor and
Management*

3) The third guideline must be to encourage representatives of labor and management to participate more in the work of the Community. Such participation is needed because decisions made in the framework of the Community have an increasingly pronounced effect on the lives of everyone; therefore, it is important to make sure that these decisions correspond to the concerns of every social and occupational category.

*Consumer
Protection*

4) However, the social policy does not only concern citizens as producers; it is equally important to protect the consumer who is too often powerless in the face of certain kinds of abuse.

Competition, the guiding principle of the Common Market, is not an end in itself. It is a means to achieve the social aims of the treaty by encouraging businesses to increase productivity and quality which will benefit the consumer. It is also important to be especially attentive to the efforts businesses must make to meet competition so that these efforts are not deflected from their social ends and are not made at the expense of the consumer.

Therefore, the French government hopes that member states of the Community will take joint action to improve the information available to the consumer to prevent and eliminate misleading advertising, restrict the harmful substances in certain products and harmonize the list of toxic substances. (To show the Community's interest in this issue, it would seem desirable to provide for consumer representation on the Economic and Social Committee).

*The
Environment*

Rather than go on too long, I will only mention one other goal to which the French government is particularly committed, a goal that the Community has already adopted as its own: namely the action that has to be taken to safeguard the environment, an essential factor in efforts to protect the quality of our life. The French government, as you know, submitted a memorandum on this subject almost a year ago and it attaches the highest importance to the Community's work in this area.

*Practical
Proposals*

These being the guidelines, I would like to offer a few practical proposals regarding machinery through which our social policies can be brought into line.

1) To encourage labor and management to participate more in the Community's work, the French government proposes that the conditions in which the Economic and Social Committee functions should be improved and the scope of its action broadened, in accordance with the wishes of other delegations. Furthermore, we will propose to the Council of the Communities the setting up of equally representative committees for every branch of industry; these could provide a framework for dialogue between employers and employees at the European level, could examine the problems of employment, training, production and restructuring, and could study how to improve working conditions and upgrade the content of a man's job.

2) In the context of the action that the Community has to undertake to improve working conditions, the French government proposes the establishment of a European foundation to improve working and living conditions; the foundation would thereby have a triple responsibility--to do research, to distribute the information it has acquired, in particular to executive personnel and heads of companies, and to train research workers.

3) In order to provide Community institutions with all the data they need to act in the social field, we propose that a European Institute for Information and Social Studies should be founded; it could have responsibility on one hand for collecting and publishing data, thus allowing the social policies of member states to be known, and on the other hand for initiating and carrying out studies of interest to the Community in the social field and especially in cases where reconversion activity necessitates occupational readaptation.

These are a few specific projects based on a number of fundamental guidelines. Of course, we will examine with interest the proposals presented in this area by other delegations, in particular those contained in the memorandum of the German government.

Mr. President, gentlemen, I would like the final declaration which issues from our work to show unequivocally that the Community is determined to give its economic activity a new dimension by putting progress into the service of mankind.

Over and above the affirmations of principle, the French government, in close cooperation with the member states of the enlarged Community, will act day after day to achieve a social plan which in spite of difficulties--and there will be many--can create the conditions for a more just and more humane society in Europe.

AMBASSADE DE FRANCE

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EUROPEAN SUMMIT CONFERENCE

STATEMENT BY GEORGES POMPIDOU

PRESIDENT OF THE FRENCH REPUBLIC

FOLLOWING THE EUROPEAN SUMMIT CONFERENCE

OCTOBER 21, 1972

*Aims of
the Conference*

At the time I had the honor of inviting eight heads of government to this conference, its goal was on one hand to make a number of precise, practical and concrete decisions, especially in the area of economic and monetary union, and also in a number of other related areas such as industrial policy, energy policy and regional policy, and on the other hand to give the enlarged Community an image abroad. That means an opportunity to show its determination to assert itself as an entity distinct from all others, and to do this in an outward-looking spirit, in the economic sphere as elsewhere, toward industrialized countries, toward the allies of most of the members of the Community, toward the countries of Eastern Europe and toward the developing countries as well. This was, I would say, the second major aspect of this agenda.

*Future
Development of
the Community*

And then, there was the problem of the development of the Community itself, that is, its future, and the future of its institutions. In this field, we made a broad comparison of ideas. I would say that we did so in an atmosphere of great candor and also great friendship. We made a number of decisions in principle, which should however be put into practice, concerning among other things the power of control of the European Parliament, the best way to link it to the Council and the Commission, and also an improved general organization of the work of the Council of Ministers and Commission.

European Union

Finally -- as you will see in the text that will be given you, whether it concerns the beginning, which is a declaration of principles, or the final article -- there was added a manifestation of the general willingness of the nine countries to advance toward what we have called a European union before the end of this decade. Thank you everyone.

The particular features of this union were deliberately not specified. It would have been inconceivable for this conference to do that in the time allotted it. But we have on the other hand given the institutions of the Community a mandate to prepare and submit a report on this subject, a complete and exhaustive report, in the next three years. Thus there is more here than a simple manifestation of intentions. There is a real willingness to make the European Communities progress toward union in the large and complete sense of this text.

I would like to thank all the heads of government, and in particular the three future members, for the manner in which they have contributed to the success of the conference, and I would like to thank them for the great experience they have already demonstrated in the workings of a community which they will not officially enter for three months, but for which it is clear that they have prepared themselves quite thoroughly. I thank them all on behalf of France.

AMBASSADE DE FRANCE

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972 FIFTH AVENUE, NEW YORK 21, N. Y. REgent 7-9700

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EUROPEAN SUMMIT CONFERENCE

STATEMENT BY GEORGES POMPIDOU

PRESIDENT OF THE FRENCH REPUBLIC

AT THE COUNCIL OF MINISTERS MEETING

OCTOBER 25, 1972

The Paris Conference achieved the reasonable objectives that had been set for it and went even further.

First of all, the conference confirmed enlargement through the full and fruitful participation of the future members. It made noticeable progress in the field of economic and monetary union by prudently but decisively introducing a common internal and external monetary policy, and by laying down guidelines and setting time limits for certain stages of the economic policy regarding both the struggle against inflation and a balanced regional policy.

Concerning institutions, the conference decided on goals which can be reached in the immediate future, namely the integration of new members and improved organization of the work, including parliamentary control and relations between the various Community bodies.

What seems even more interesting is the psychological turning point represented by the importance placed on social issues and on the preservation and improvement of living conditions. For the first time, the idea of recreating a specifically European civilization and way of living was not only brought up but actually discussed. These are only beginning steps along this path but it is important to have made them and to have gone beyond purely material thinking.

The fact that selfish interests, albeit European ones, have been superseded is also reflected in the attention paid to relations with the Third World and to increased aid to the developing countries, in particular those with which the Community is bound through special ties.

Finally--and since France was responsible for initiating the idea in the draft declaration which I sent to the heads of government, she can only be pleased at this development-- unanimous agreement was reached on the concept of defining and establishing Europe's individual personality.

Of course, European union is a vague phrase. This was intentional so as to avoid futile and paralyzing debates on doctrine.

The union will take shape through determination and action, not within a prefabricated and rigid framework.

All our partners seem disposed to make the venture with us.

Overall, yes, the Paris summit meeting was a success.

It is for us and our partners to put the results of the Conference into practice and to prolong its effects.

AMBASSADE DE FRANCE

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EUROPEAN SUMMIT CONFERENCE

REPORT OF THE COUNCIL OF MINISTERS MEETING

BY JEAN-PHILIPPE LECAT, GOVERNMENT SPOKESMAN

OCTOBER 25, 1972

Mr. Lecat reported that the government was occupied with a number of decisions which were to be made or prepared regarding European issues. First of all, the government approved the nomination of the commissioners to the Commission of the European Communities, in accordance with the terms of article 11 of the treaty of April 8, 1965 (the treaty merging Community institutions) setting up a single council and a single commission of the Communities.

Mr. Lecat then proceeded to announce that the French government had proposed to the governments of the states which will become members of the European Communities on January 1, 1973 the nomination of François-Xavier Ortoli and Jean-François Deniau as members of the new Commission.

Describing Mr. Ortoli's career, the government spokesman said that his direct experience with the European Communities and with the exercise of high government responsibilities would enable him to carry out the high functions in the Commission to which he might be assigned.

After recalling that all decisions in this area are made by the common agreement of the European governments, Mr. Lecat made it known that the French government hoped that François-Xavier Ortoli would be appointed President of the next Commission.

The government spokesman also reviewed the important offices held by Mr. Deniau in the various organs of the Commission before being named a member of it in 1967.

Mr. Lecat added: "At a time when the French government is proposing the nomination of two members of the new Commission of the European Communities, it would like to stress the excellence of the services rendered by the outgoing Commission which will finish its term at the end of the year; the government would further like to express the consideration it has for the distinguished service given by Raymond Barre, Vice President of the Commission in charge of economic and financial affairs."

Replying to a question on relations between the organs of the European Community and the European Parliament, and on the democratic nature of the European Parliament, the government spokesman made the following remarks:

"Regarding the French position on the European Parliament we are agreed on the need to strengthen the powers of control of that Parliament. The final communiqué of the Paris Conference contains provisions whereby proposals will be made during 1973 to strengthen parliamentary control, to improve the working of the Council of Ministers and achieve greater coordination of working methods in the Council, the Commission and the Parliament.

"The only question on which there may still be some problem in interpreting France's position concerns the election or more exactly the method whereby members of the European Parliament are selected.

"Under the Rome Treaty, this Parliament was to make provisions, once the time was appropriate, for its election by universal suffrage. Meanwhile and in the present situation, the French government--and it is not the only one in Europe in this case--considers that the election of the Parliament by indirect suffrage makes it a truly democratic assembly and one might say that this problem puts us specifically in the realm of the 'paralyzing debates on doctrine' described by the President of the Republic in the conclusion of his remarks this morning. The important thing is to make the European institutions work well and, of course, first of all to ensure the integration in these institutions of the three new member states none of which is disposed to make radical changes in them before having had practical experience of their functioning, as it only natural."