

MEETINGS OF THE HEADS OF STATE OR GOVERNMENT

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*Looking to the "Summit" of Ten
Preparations up to August 1972*

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II. LOOKING TO THE "SUMMIT" OF TEN

After the Summit Conference in The Hague on 1 and 2 December 1969, the Member States' Heads of State or Government had assigned the Foreign Ministers to "investigate the best way of making progress in unifying policies in view of the enlargement". The Report made after this decision and adopted in its final form by the Foreign Ministers of the Six on 27 October 1970 recommends that if the circumstances and matters to be dealt with justify it, the six-monthly meeting of Ministers could be replaced by a Conference of Heads of State or Government.

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The monetary events of May 1971 having compromised the realization of the Economic and Monetary Union decided only a few weeks earlier by the Council and Member State's Government representatives,¹ the European Parliament took the initiative in asking for a new Summit to be convened. During Parliament's debate on monetary problems in the May 1971 session, Mr Oele, Mr Broeksz, Mr Ramaekers, Mr Spénale and Mr Vredeling had submitted a Resolution proposal aimed at "organizing a Summit Conference of Heads of Government of the Six Member States which would help to overcome the current difficulties".

In the Resolution adopted during the following session in June 1971,² Parliament "invites the Council of Ministers to initiate talks between Member States' Governments and including the Commission and Parliament to set up, after careful preparation and with the enlargement in mind, a Conference of Heads of State or Government. The mission of the Conference is to define the objectives of a united Europe, settle the outstanding issues, especially those still blocking the Economic and Monetary Union and obstructing the goals of the Third Programme of Medium-Term Economic Policy, and thirdly to strike a more democratic institutional balance".

As Mr Scarascia Mugnozza pointed out, when he was Chairman of the European Parliament Political Committee, the Summit "must not prejudice the situation before the Community's enlargement. Its task will be to solve the problems of the Economic and Monetary Union, if they have not been cleared up already, to recommend objectives for Europe in view of the enlargement, and strike a more democratic balance between the institutions".

In August 1971 after the United States Government's decision to suspend gold convertibility, the French Government announced the intention of the President

¹ Resolution by the Council and Member States' Government representatives on the achievement by stages of the Economic and Monetary Union in the Community. EC Bulletin 4-1971, Part 1, Chap. I.

² OJ C 66 of 1 July 1971.

of the Republic to suggest "to the government leaders of the Community and the countries preparing to join, that advance discussions be organized pending a meeting at their level".¹

The day after this announcement, the President of the Commission, Mr Franco Maria Malfatti, made the following statement at the start of the Council session of 19 August 1971:

"The problems which the European Community must face in the near future in making a constructive contribution to improving, on a new basis, world economic relations, can certainly not be completely solved today, at that meeting. The task before us is not an appendix to today's limited debate. We have to overhaul the economic structure which has ruled for the past twenty-five years over the relationships of almost all the countries of the world. From this widespread transaction a new reality must emerge. Our contribution and the defence of our interests as Europeans will depend on the degree of solidarity and unity which we can prove.

The Commission therefore fully endorses Mr Pompidou's move when he proposed to call, after careful preparation, a new Summit Conference of government leaders of the expanding Community. Only top-level political decisions will enable us to tackle our task properly, considering the multiple complications in the new situation following the measures announced by President Nixon".

Afterwards, on 10 September 1971, President Malfatti, on behalf of the Commission, sent a letter to the Heads of State or Government, drawing their attention to the serious risks for the Community in the monetary crisis.

In the letter, the Commission "considers it its duty to attend to this situation which may have an unhappy outcome both for our Community's future and for preserving the Community's present assets. For the first time in Community history, we are facing not merely a halt in the march on our objectives but a likely reversal of the trend and the possible deterioration of our Community. Obviously then the answers which we can find to our present difficulties will affect our chances of protecting equitably and systematically our Community interests which can henceforth be identified as our national interests. They will affect our scope for helping effectively to mould a new and more finely balanced form for international relations and will colour our chances of ensuring the smooth functioning of all that we have constructed over the last years. It may take a long time to resolve this complicated crisis. Nevertheless

¹ Communiqué published on 18 August 1971.

the time allowed to safeguard our house and work out a strategy which, under the new circumstances, will enable us to move forward in a Community spirit, is in fact extremely short.

Facing the need to tackle the immediate problems and confronted by disparate short-term economic situations, our greatest danger is in policies developed on exclusively national lines, diverging from and contrary to Community objectives. If we do not do our utmost to arrest this trend immediately, we shall deny the very reason for being of our Community.

Moreover, we must keep in mind that prolonging the present situation threatens to have a negative effect on the reality of the Community and on our proposed objectives for development. The basic vehicle of Community development; namely: the Economic and Monetary Union, is now held up. The opening moves which were to be made on the monetary front are now not feasible. Furthermore, it is doubtful whether the scheduled progress can be made in coordinating short-term and medium-term economic policies, in fiscal harmonization, in creating a single capital market and in regional policy.

The smooth running of the common agricultural market is already hampered by the existence of four different exchange systems within the Community. It is therefore getting very complicated to fix new prices for agricultural produce and get a new policy for structures underway.

On the commercial policy front with monetary policies still at cross-purposes the promotion of inter-Community trade is precarious. It is also likely that to iron out the difficulties due to the American measures on freedom of exchange, Member States will bring in national measures which might heighten the existing disparities in their policies of aid for export.

Tomorrow we could find ourselves not with just one more opportunity lost for moving further towards the construction of Europe, but facing a situation which has altered and vitiated all we have accomplished.

In the present state of affairs, the Commission feels that concurrently with the Council's coming discussions on the impact of the American moves, the Community institutions must consider everything that can be done to strengthen our Community. Working from the aims and decisions of the Summit at The Hague and guided by recent experience, these considerations should lead to preparing a more effective programme, a more realistic timetable and resources more closely geared to today's needs in strengthening the Community both in its institutions and its activities.

Obviously well prepared decisions taken at top political level will allow us to take effective action. So on behalf of the Commission, I have already stated at the Council meeting of 19 August that we support the intention of Mr Pompidou of calling together the political leaders of the Member States and the incoming countries.

In this context, the Commission will make any helpful suggestions. Carrying out the decisions taken will have to be done by combining all the political and democratic power of our countries".

This move by the Commission was warmly welcomed by the governments and the idea of holding a European Summit embracing both the Six and the four applicant Members was also supported by the British Prime Minister, Mr Heath, speaking in Zurich on the 25th anniversary of Winston Churchill's speech.

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During a press conference on 23 September 1971, President Pompidou talking about monetary problems, said about the Summit Conference: "What we need is to foster boldly economic concertation between partners so that Community currencies are not just at a certain rate relative to outside, but so that they are linked to each other by fixed and stable rates based on healthy, balanced economies. It is quite normal for those who are trailing to try and catch up and for those who are ahead to try and steady down. But unity should be the aim. It is a long way off and it is complicated but it is not beyond us. The whole matter can be the subject of a Summit Conference of the enlarged Community, as I suggested on 18 August, provided that it is very carefully prepared and well timed. Here I agree completely with Chancellor Brandt. Summit Conferences are not for swapping declarations of intent but for taking decisions".

Preparation for the Summit Conference of political leaders came up at the Conference of Foreign Ministers of the Six, held in Rome on 5 November 1971.

The Conference had received a note from the Belgian Minister for Foreign Affairs, concerning the basic guidelines for the Summit. Mr Harmel had stressed the need for such a meeting just when the expanding Community had to define its action regarding the outside world and had to deal with monetary difficulties. The Belgian Minister felt that the agenda should include:

- (a) A fresh impetus to the Economic and Monetary Union,
- (b) Laying down a Community programme regarding the developing countries,

- (c) A constructive definition of EEC-USA relations,
- (d) Adoption of a common policy towards the European Conference on Security and Cooperation (CSCE),
- (e) The future of the European institutions not deriving from the Rome and Paris Treaties (Council of Europe, Union of Western Europe, etc.),
- (f) Institutional issues in the enlarged Community. As to the date, Mr Harmel suggested March 1972 and for the place he proposed Luxembourg since this country was now bearing the "rotating" presidency of the Council of the European Community.

In a statement given to Mr Moro during this Conference by Mr Franco Maria Malfatti, the Commission, noting that problems of a political nature were threatening the Community, pointed out that the Summit should be held "as soon as possible in 1972", as soon as the decisions had been made, which would restore monetary order in the Community. The President of the Commission said that the guidelines the Commission wished to see (on Economic and Monetary Union, the Community's world position, strengthening of institutions) seemed much akin to those envisaged by the Member States. The Foreign Ministers agreed that the Commission should share in the Summit proceedings, on matters under its jurisdiction and should be involved in the preparatory work on same. The statement issued to the press after the conference said: "Ministers discussed a future Conference of Heads of State and Government and hoped it would be convened during 1972, as early as possible and after it has been fully prepared in relation to the Community's development goals. One must also consider the Economic and Monetary Union and definition of the prospects before the Community both on the plane of internal organization and external relations and responsibilities".

During an informatory meeting the following day, the representatives of the four applicant countries were advised of the debates and invited to share in the Summit. The applicant countries agreed to holding the Conference and to its aims. Some of them, however, expressed the wish to share in a conference when the enlargement had been accomplished and in any case to take part in preparing it. The Six acknowledged their wishes.

After this meeting of Ministers, the Chairman, Mr Moro, Italian Minister for Foreign Affairs, sent the following message to the Commission on 20 December 1971: "During the political discussion between the Six Foreign Ministers of the Community on 5 November 1971 in Rome, it was agreed that the EEC Commission should be associated with the proposed Summit and its preparation on the same terms that it was associated with the Summit Conference at The Hague on 1 and 2 December 1969".

