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ANNEX A

LIST OF DELEGATES

Belgium

- M. Gaston Eyskens, Premier Ministre
- M. Pierre Harmel, Ministre des Affaires Etrangères
- M. André Vlerick, Ministre des Finances
- M. Robert Rothschild, Ambassadeur de Belgique à Paris
- M. Josef van der Meulen, Représentant Permanent Auprès des Communautés Européennes
- M. Jan Grauls, Chef de Cabinet du Premier Ministre
- Le Vicomte Etienne Davignon, Directeur de la Politique au Ministère des Affaires Etrangères
- M. Paul Noterdaeme, Chef de Cabinet du Ministre des Affaires Etrangères
- M. Jacques Raeymaeckers, Chargé de la Coopération politique au Ministère des Affaires Etrangères
- M. Hugo Paemen, Chef du Service d'Information et de Presse au Ministère des Affaires Etrangères

Denmark

- M. Anker Jørgensen, Premier Ministre
- M. K. B. Andersen, Ministre des Affaires Etrangères
- M. Per Hækkerup, Ministre des Affaires Economiques et du Budget
- M. Ivar Nørgaard, Ministre de l'Economie Extérieure, des Affaires des Marchés Européens et des Relations Nordiques
- M. Eigil Jørgensen, Secrétaire Général, Cabinet du Premier Ministre
- M. Torben Rønne, Secrétaire Général du Ministère des Affaires Etrangères
- M. Jens Christensen, Ambassadeur, Secrétaire Général pour l'Economie Extérieure
- M. Kurt Hansen, Secrétaire Général Secrétariat Economique
- M. Troels Oldenburg, Directeur Général des Affaires Politiques au Ministère des Affaires Etrangères
- M. Finn Grundelach, Ambassadeur, Représentant Permanent auprès des Communautés Européennes
- M. Niels Ersbøll, Chef de Service au Ministère des Affaires Etrangères
- M. Preben Hansen, Conseiller de Presse au Ministère des Affaires Etrangères
- M. Paul Geleff, Interprète
- M. Borge Ebbesen, Secrétaire Particulier du Premier Ministre
- M. J. Ørstrøm Møller, Secrétaire Ministère des Affaires Etrangères
- M. Paul Fischer, Ambassadeur de Danemark à Paris

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Germany

- M. Willy Brandt, Chancelier
- M. Walter Scheel, Ministre des Affaires Etrangères
- M. Helmut Schmidt, Ministre de l'Economie et des Finances
- Mme Catharina Focke, Secrétaire d'Etat à la Chancellerie
- M. Sigismund Von Braun, Secrétaire d'Etat aux Affaires Etrangères
- M. Ernest Wolf Mommsen, Secrétaire d'Etat au Ministère des Affaires Economiques et Financières
- M. Conrad Ahlers, Secrétaire d'Etat, Chef du Service de Presse
- M. Ruete, Ambassadeur de la République Fédérale à Paris
- M. Sachs, Ambassadeur, Représentant Permanent de la République Fédérale auprès des Communautés Européennes
- M. Herbst, Directeur des Affaires Economiques du Ministère Fédéral des Affaires Etrangères
- M. Von Staden, Directeur Politique du Ministère des Affaires Etrangères
- M. Everling, Directeur au Ministère des Finances
- M. Per Fischer, Conseiller Diplomatique du Chancelier
- M. Schilling, Chef de Cabinet du Chancelier

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France

Délégation officielle :

M. le Président de la République

Gouvernement

M. Pierre Messmer, Premier Ministre
 M. Maurice Schumann, Ministre des Affaires Etrangères
 M. Valéry Giscard d'Estaing, Ministre de l'Economie et des Finances
 M. André Bettencourt, Ministre délégué auprès du Ministre des Affaires Etrangères
 M. Jean-Philippe Lecat, Secrétaire d'Etat auprès du Premier Ministre Porte-Parole du Gouvernement

Maison du Président

M. Michel Jobert
 M. Jean-René Bernard
 M. Jean-Bernard Raimond
 M. Denis Baudouin

Premier Ministre

M. Martial de la Fourrière

Ministère des Affaires Etrangères

S. Exc. M. Hervé Alphand, Ambassadeur de France Secrétaire Général
 S. Exc. M. Etienne Burin des Roziers, Représentant permanent
 M. François Puaux, Ministre Plénipotentiaire, Directeur des Affaires Politiques
 M. Jean-Pierre Brunet, Ministre Plénipotentiaire, Directeur des Affaires Economiques et Financières

Ministère de l'Economie et des Finances

M. Jean Calvet, Directeur de Cabinet du Ministre

*Délégation non officielle :**Maison du Président*

M. Edouard Balladur
 M. Jean-Louis Lucet

Premier Ministre

M. Friedmann, Conseiller pour les Affaires Economiques et Financières
 M. Ernest-Antoine Scilliere de Laborde, Chargé de Mission

Ministère des Affaires Etrangères

M. Paul Lemerle, Directeur de Cabinet
 M. Claude Arnaud, Ministre Plénipotentiaire, Directeur des Affaires Politiques
 M. Jean Beliard, Ministre Plénipotentiaire, Chef des Services de Presse et d'Information
 M. Luc de la Barre de Nanteuil, Ministre Plénipotentiaire, Chef du Service de la Coopération Economique

Ministère de l'Economie et des Finances

M. Claude Pierre-Brossolette, Directeur du Trésor
 M. Jacques de la Rosière, Chef du Service des Affaires Internationales

Ireland

M. John Lynch, Premier Ministre
 M. Patrick Hillery, Ministre des Affaires Etrangères
 M. George Colley, Ministre des Finances
 M. Hugh McCann, Secrétaire Général du Ministère des Affaires Etrangères
 M. Eamon Kennedy, Ambassadeur d'Irlande à Paris
 M. Martin O'Donoghue, Conseiller Economique du Premier Ministre
 M. Sean Murray, Secrétaire Général adjoint au Ministère des Finances
 M. Sean Morrissey, Directeur des Affaires Economiques au Ministère des Affaires Etrangères
 M. Denis Maher, Secrétaire Général adjoint au Ministère des Finances
 M. Sean Kennan, Représentant Permanent auprès des Communautés Européennes
 M. Paul Keating, Directeur Politique au Ministère des Affaires Etrangères
 M. Christopher Fogarty, Chef du Service des Communautés Européennes

Italy

M. Giulio Andreotti, Président du Conseil Chef de la Délégation
 M. le Sén. Prof. Giuseppe Medici, Ministre des Affaires Etrangères
 M. Giovanni Malagodi, Ministre du Trésor
 M. Mario Pedini, Secrétaire d'Etat auprès du Ministre des Affaires Etrangères
 M. Roberto Caja, Ambassadeur, Secrétaire Général du Ministère des Affaires Etrangères
 M. Franco Malfatti di Montetretto, Ambassadeur d'Italie en France
 M. Giorgio Bombassei Frascani de Vettor, Ambassadeur, Chef de la Délégation Permanente de l'Italie auprès des Communautés Européennes à Bruxelles
 M. Roberto Ducci, Ambassadeur, Directeur Général des Affaires Politiques au Ministère des Affaires Etrangères
 M. Cesidio Guazzaroni, Ambassadeur, Directeur Général des Affaires Economiques au Ministère des Affaires Etrangères
 M. le Prof. Gastone Miconi, Directeur Général du Trésor
 M. Andrea Cagiati, Ministre Plénipotentiaire, Conseiller Diplomatique du Président du Conseil
 M. Uberto Bozzini, Ministre Plénipotentiaire, Directeur du Cabinet du Ministre des Affaires Etrangères
 M. Guido Ceccherini, Chef du Service de Presse et de l'Information Présidence du Conseil
 M. Mario Ercolani, Directeur Central à la Banque d'Italie

Luxembourg

M. Pierre Werner, Ministre d'Etat
 M. Gaston Thorn, Ministre des Affaires Etrangères
 M. Camille Dumont, Ambassadeur du Luxembourg en France
 M. Pierre Wurth, Secrétaire Général
 M. Duhr, Directeur des Relations Economiques Extérieures
 M. Dondelinger, Représentant Permanent auprès des Communautés Européennes
 M. Merts, Directeur adjoint des Affaires Politiques
 M. Schmitz, Conseiller adjoint au Ministère des Finances
 M. Claude, Chef du Service Information et Presse
 M. Bloes, Secrétaire d'Ambassade

Netherlands

M. B. W. Biesheuvel, Président du Conseil des Ministres, Ministre des Affaires Générales
 M. W. K. N. Schmelzer, Ministre des Affaires Etrangères
 M. R. J. Nelissen, Ministre des Finances
 M. Th. E. Westerterp, Secrétaire d'Etat aux Affaires Etrangères
 Jonker J. A. de Ranitz, Ambassadeur des Pays-Bas à Paris
 M. E. M. H. A. Sassen, Ambassadeur Extraordinaire et Plénipotentiaire, Représentant Permanent des Pays-Bas auprès des Communautés Européennes
 M. G. Brouwers, Secrétaire Général du Ministère des Affaires Economiques
 Baron D. W. van Lynden, Directeur-Général des Affaires Politiques du Ministère des Affaires Etrangères
 M. A. F. K. Hartogh, Directeur-Général de la Coopération Economique du Ministère des Affaires Etrangères
 M. C. J. Oort, Trésaurier-Général
 M. G. B. de Groot, Directeur-Général adjoint des Relations Economiques Extérieures du Ministère des Affaires Economiques
 M. G. van der Wiel, Directeur du Service d'Information du Gouvernement des Pays-Bas
 M. F. Italianer, Chef de la Direction des l'Intégration Européenne du Ministère des Affaires Etrangères
 M. P. J. A. Wijnmaalen, Chef de la Direction des Affaires Internationales du Ministère de l'Agriculture et de la Pêche
 M. P. C. Witte, Chef de la Direction de la Coopération financière et économique aux développements du Ministère des Affaires Etrangères
 M. A. Y. A. Looyen, Chef de la Direction des Relations Financières Extérieures du Ministère des Finances
 M. C. T. F. Thurkow, Chef de la Direction de Presse du Ministère des Affaires Etrangères
 M. M. P. S. Van Berckel, Conseiller d'Ambassade près la Représentation Permanente auprès des Communautés Européennes
 M. Van de Graaf, Conseiller Technique au Cabinet du Président du Conseil des Ministres
 M. J. P. M. H. Merckelbach, Conseiller Technique au Cabinet du Président des Ministres
 M. W. F. Van Eekelen, adjoint du Directeur-Général des Affaires Politiques du Ministère des Affaires Etrangères
 M. J. J. de Visser, Chef du Bureau des Affaires Générales d'Intégration et de la C.E.C.A. du Ministère des Affaires Etrangères, Secrétaire de la Délégation

United Kingdom

The Right Hon. Edward Heath, MBE, MP, Prime Minister
 The Right Hon. Sir Alec Douglas-Home, K T, M P, Secretary of State for Foreign and Commonwealth Affairs
 The Right Hon. Anthony Barber, T D, M P, Chancellor of the Exchequer
 The Right Hon. Sir Christopher Soames, GCMG, GCVO, CBE, Her Majesty's Ambassador in France
 Mr. A. M. Pallister, CMG, Her Majesty's Ambassador to the European Communities
 Mr. R. T. Armstrong, Principal Private Secretary to the Prime Minister
 Mr. D. J. D. Maitland, CMG, Chief Press Secretary to the Prime Minister
 Lord Bridges, Private Secretary to the Prime Minister
 Mr. J. J. B. Hunt, CB, Second Permanent Secretary, Cabinet Office
 Sir Denis Greenhill, GCMG, OBE, Permanent Under-Secretary, Foreign and Commonwealth Office
 Sir Thomas Brimelow, KCMG, OBE, Deputy Under-Secretary, Foreign and Commonwealth Office
 Mr. J. A. Robinson, CMG, Assistant Under-Secretary, Foreign and Commonwealth Office
 Mr. A. A. Acland, Private Secretary to Secretary of State, Foreign and Commonwealth Office
 Mr. M. D. Butler, Head of European Integration Department, Foreign and Commonwealth Office
 Mr. J. H. G. Leahy, Head of News Department, Foreign and Commonwealth Office
 Mr. R. B. M. King, CB, M C, Deputy Secretary, Overseas Development Administration
 Sir Alan Neale, KCB, MBE, Second Permanent Secretary, Her Majesty's Treasury
 Mr. A. M. Bailey, Private Secretary to Chancellor of the Exchequer
 Mr. G. R. Denman, CB, CMG, Deputy Secretary, Department of Trade and Industry
 Mr. C. T. E. Ewart-Biggs, CMG, OBE, Minister, Her Majesty's Embassy, Paris
 Mr. J. N. T. Spreckley, Delegation Secretary

Commission

M. Sicco Mansholt, Président de la Commission
 M. Carlo Scarascia-Mugnozza, Vice-Président
 M. Raymond Barre, Vice-Président
 M. Wilhem Haferkamp, Vice-Président
 M. Albert Coppe
 M. Jean-Francois Deniau
 M. Altiero Spinelli
 M. Albert Borschette
 M. Ralph Dahrendorf
 M. Noel, Secrétaire Général
 M. Jonker, Chef de Cabinet du Président
 M. Ruggiero, Conseiller
 M. Meyer, Secrétaire Général-Adjoint
 M. Olivi, Porte-Parole de la Commission
 M. Wellenstein
 M. Mosca
 M. Much
 M. Olivier
 M. Paye
 M. Lahnstein
 M. Sunnen
 M. Cardon de Lichtbuer
 M. Layton
 M. Terfloth
 M. Chapperon
 M. Umberto Stefani

ANNEX B

GERMAN INITIATIVE FOR MEASURES TO REALISE A
EUROPEAN SOCIAL AND SOCIETAL POLICY

A. COMMUNITY PERSPECTIVES

The European Community has been able to achieve considerable progress: its internal development has been stepped up; economic and monetary union is taking shape; its economic and political basis will be reinforced by the accession of three new members.

The gradual coalescence of the Member States has contributed effectively to progress in our countries. With its decision to establish economic and monetary union within ten years, the Community strives not only to remove the frontiers between our countries, but, moreover, to create one economic area. To achieve a Community of stability and growth, the Community should take an increasing number of measures in the fields of conjunctural and budgetary policy, of money and credits, currency, taxation, capital market, and of structural and regional development.

Social integration should, however, rank equal with economic integration in order to secure economic and monetary union on a durable basis and to ensure its dynamic development. It must be our task to harmonise the social objectives of the Member States so as to enable the population to partake of the Community's growth and prosperity by virtue of greater social justice.

Social progress should not be merely appendant to economic growth; it must be an aim in itself guiding our actions in its own right.

Such a policy is apt to put into relief the Community's economic and societal policies, to lend progressive impulses to social development, and enhance the citizens' support of integration.

1. In the economic sphere, undesirable developments in the establishment of economic and monetary union will be avoided if the social dimension is included;
2. In the sphere of societal policy, the Community will make it its task to pay greater attention to the social contents of its policies and to resultant developments, and to synchronise them at the European level;
3. In the general political sphere, a European perspective of social and societal policy will be evolved step by step, which will strengthen the citizens' integration in the Community and endow the Community with a special political quality and attraction.

B. PROCEDURE

To translate these perspectives into reality, the Federal Government proposes that, at the Summit Conference, the Heads of State or Government instruct the institutions of the Community to establish concrete objectives and propose measures to press forward with the work to be done in the field of social and societal policy, parallel to the development of economic and monetary union.

C. GERMAN PROPOSALS

I. Labour

1. Labour market policy

(a) *The Federal Government proposes* that, supplementary to the free movement of workers already guaranteed by Community legislation, a co-ordinated labour market policy be evolved step by step within the Community.

To this end, permanent co-operation among the national labour administrations should be introduced and actively developed at Community level. As a first step towards such co-operation an information centre should be set up to provide information on the situation and trends of the Community labour market. Common objectives should presently be developed with a view to providing appropriate social safeguards to cushion the consequences ensuing for employees from structural changes. These objectives should be effectively supported by the European Social Fund; its possibilities should be exploited to the full.

(b) *Reasons.* The right of employees to free movement within the Community will only be realised in the long run if a co-ordinated labour market policy is adopted and provision made for social safeguards. The gradual development of a co-ordinated labour market policy is necessary above all in connection with a common orientation regarding the adoption of a short-term economic policy while economic and monetary union is in progress. Moreover, there will be an increasing number of cases where Member States will have to agree on a common line of action in their labour market policies towards third States. In addition to the global aspect, structural changes and their effects on the employment situation within the Community will increasingly demand concerted action. The growing economic integration and the progress being made with economic and monetary union necessitate this process.

In the efforts to cope with the labour market problems, special attention should be devoted to certain population groups such as older employees, juveniles, rehabilitated persons, and female employees with their special problems. These are some of the aspects which make it imperative to establish at Community level the foundations of a statistical system indicative of the facts and able to cope with its tasks.

2. Socially progressive conditions of work

(a) *The Federal Government proposes* that the conditions of work within the Community be gradually adapted to social progress, and that a co-ordinated labour protection policy be developed. To promote the prevention of occupational accidents and occupational diseases and to further preventive health protection at work, the exchange of experience within the Community should be intensified; common minimum standards should be worked out and serve as a basis.

In the efforts to this end, use should be made in particular measure of the advice and suggestions of employees' organisations. Employees' representatives should intensify and broaden their experience through a lively exchange of views between organisations and by spending some time in various establishments in other Member States, in order to make well-founded suggestions.

(b) *Reasons.* The *de jure* freedom of movement of employees should be developed into a *de facto* social freedom of movement by means of socially progressive working and living conditions in enterprises and establishments. This is the only way to avoid economic distortions (competitive advantages or disadvantages) as well as social tensions (unilateral migration movements) in the process of social integration.

3. Participation of employees in the policy and decision-making process in enterprises and establishments

(a) *The Federal Government proposes* that an effective participation of employees in the policy and decision-making processes in enterprises and establishments be ensured at Community level.

(b) *Reasons.* The economic and social destiny of employees is largely determined by the decisions made in the economic process at the level of enterprises and establishments. These decisions and their effects on jobs, employment and incomes reflect the conjunctural and structural adjustment processes in the economy as well as the problems resulting from the Community's growth into an economic and social entity. The stability of social conditions in the Community will decisively depend on how these problems are mastered.

The participation of employees in the policy and decision-making processes in enterprises and establishments can give social integration important and forward-looking impulses and thus elevate the social security of the working population, in this very phase of economic integration, to the rank in which they wish to see it and which is due to it. Participation is therefore an essential building block in the establishment of stable social relations within the Community.

The mergers of enterprises across frontiers and the multinational ramifications of enterprises within the Community have consequences which drastically affect the economic and social interests of employees. In many cases it is therefore particularly important that the range of decision-making in enterprises and establishments should not be confined to economic aspects alone but be broadened to include the social consequences of decisions to be made; to this end, the employees should be allowed participation in the policy and decision-making process.

The most pressing problem is a satisfactory settlement to secure the participation of employees in the policy-making process of the European Company to be set up, and in the mergers of enterprises operating under national law.

4. Examination at the European level of basic conditions for collective bargaining

(a) *The Federal Government proposes* that the development of the common perspective of a social and societal policy be extended to include an examination of whether and in what way basic conditions can be created step by step at the European level concerning collective bargaining. Deliberations on that subject should be started in close co-operation with the employees' and employers' organisations of Member States. The work in this field should be seen in close connection with the establishment of European Companies.

(b) *Reasons.* The creation of basic conditions for collective bargaining at the European level is all the more pressing, the more enterprises merge across frontiers as a result of advancing economic integration. This, of course, applies equally to multinational enterprises in the Community.

The settlement of working conditions between the autonomous parties to collective wage agreements at the European level is of increasing importance in order to prevent discrepancies between developments in the sphere of enterprises and the legislation governing collective agreements.

II. Development and Implementation of Community Guidelines for Social Security

1. Common fundamental principles of Social Security

(a) *The Federal Government proposes* that a catalogue of fundamental social principles be prepared to serve as a basis for the common further development and gradual approximation of the Member States' social policies.

The Federal Government suggests that the methods and instruments of European planning in the social sphere be expanded. Efforts should be made to press on with the European social budget. It should develop into an instrument for the co-ordination of Member States' social policies and contain a report on the progress made during each given period in the realisation of the Community's perspective.

The principles to be worked out on this point must proceed from the requirement of an assured livelihood and cover the basic social facts (e.g. illness, disablement, old age, unemployment), and at the same time indicate suitable procedures for their gradual realisation. The overall objective should be to orientate, by means of regular and dynamic adjustment, the level of social benefits in each Member State to the growing strength of that State's economy.

(b) *Reasons.* Progressive economic integration makes it necessary that the social security systems are open to all citizens in the Community. There must be no island of defencelessness; the Community must be an area of both social stability and social security for the people living in it. Only in this way will a European solidarity develop that will permit and guarantee dynamic integration.

The perspective of basic principles of the Community for social security does not necessarily mean that social benefit schemes should also be aligned institutionally; rather, the aim is to ensure the approximation of the qualities of social security in a progressive way throughout the Community.

2. Community guidelines for a social structure policy

(a) *The Federal Government proposes* that concrete measures be tackled and carried through in the sphere of social structure. It regards the elaboration of a common perspective of vocational and adult education as particularly important and promising. This should lay the foundations for the gradual application of the principle of equal opportunities to all employees on a European level, create the prerequisites for the solution of socio-economic adjustment problems (structural and social changes), and give a socially progressive impulse to the *de facto* freedom of movement of employees.

(b) *Reasons.* Man's economic and social destiny is largely determined by his training, occupation, and work. A Community policy aimed at full employment will have to provide for the institutional foundations necessary to ensure that the qualitative development and free movement of labour are on an equal level with those of capital. Any obstacles to mobility resulting from different national training regulations or from disparities in the contents and aims of promotional institutions should be removed. An evolutionary development of social progress within the Community will only be possible if there is growing conformity between the *de jure* freedom of movement and the actual facts.

III. Economic and Societal Policies

1. Regional and structural policies

(a) *The Federal Government proposes* that the grave regional imbalances in the Community be eliminated by means of an efficient regional policy of the Community. To this end, an effective set of instruments should be available at Community level which should serve to adjust, not to preserve, structures. These regional tasks should be seen in close connection with the efforts undertaken by the Community in adjoining areas. A European regional fund should be created which at the beginning of the second stage of economic and monetary union should be endowed with resources from the Community's own revenues.

(b) *Reasons.* The removal of the vast differences between the employment situations in the Member States is prerequisite to harmonious growth into economic and monetary union. The present imbalances obstruct the application of the principle of equal opportunities, they impair the quality of life for the people concerned, they jeopardise full employment, and thus, of necessity, hold the danger of social tension. They moreover frustrate the efforts to make economic and monetary union a genuine community of stability; in order to remove disparities, States having major regional development problems are often compelled to resort to measures running counter to the Community's conjunctural and monetary objectives. In future, it will therefore be necessary to refrain from concentrating labour and capital in existing growth centres; instead, the flow of capital should also, and particularly, be directed to less industrialised regions. Labour resources should be activated on the spot.

In this connection the Community should take care not to preserve obsolete structures. In the agricultural sphere, in particular, structural changes should be furthered more purposefully than hitherto. Only in this way can the agricultural problem to be solved in the long term and Community funds put to more effective use. Any preservation of structures against economic and social trends will be costly and sooner or later doomed to failure. The removal of the present imbalance is therefore a challenge to the practical solidarity of the Community.

2. Creation of an effective European environmental protection and improvement of the quality of life

(a) *The Federal Government proposes* that the Community draw up, without delay, a clearly defined environmental policy. Environmental protection measures should no longer be planned and implemented in isolation but be co-ordinated on the basis of a long-term global concept. The concept should influence, and help to re-shape, future economic, technological and social developments within the Community and thus contribute decisively towards improving the quality of life in the European region. There should be increasing co-operation with other international organisations dealing with environmental protection; to avoid duplication of work, there should be a proper division and delimitation of responsibilities.

As regards both removal and prevention of environmental damage, the "pollutor-must-pay" principle should be explicitly embodied as a basic maxim in European environmental policy. It means that the cost of environmental damage will in principle be added to that of the products or services having caused it. Such a maxim would fit in properly with the economic planning of individual enterprises and cause them to give greater consideration to the effects their decisions will, or may, have on the environment. It is also in full harmony with the principles of market economy.

Priority should be given to measures to reduce air pollution as caused in particular by exhaust fumes, as well as the pollution of rivers and sea coasts.

Furthermore, the efforts to work out common regulations for the quality of foodstuffs and medicaments should be stepped up so as to ensure effective health protection for consumers in these fields as well.

(b) *Reasons.* To secure to man the environment he needs for his health and a life in accordance with human standards is one of the central problems of our time. The close geographical proximity of the European States to each other and the close interlocking of their economic and social structures make a common environmental policy more and more urgent. In a community of highly industrialised States, such as the European Community, with conditions approaching a domestic market, dissimilar national regulations for environmental protection may lead to disturbances in the economy. Uniform regulations are therefore urgently required to avoid distortions of competition or obstacles to trade. However, European environmental policy should not be determined by economic aspects alone, it should give effective consideration to societal and social interests as well. The qualitative aspects of an environment fit for human beings to live in must not stand back in favour of the purely quantitative aspects of economic growth.

IV. Improvement of Institutions

(a) *The Federal Government proposes* that the Economic and Social Committee be entitled to take up matters in its own right ("Selbstbefassungsrecht"). The Permanent Committee on Employment should, over and above its present range of action, in accordance with the decision by which it was appointed, increasingly become a venue for the dialogue, synchronisation of views and actions, and consultation among Council, Commission and both sides of industry for all questions relevant to societal policy within the Community.

(b) *Reasons.* The transition of the Community to economic and monetary union and to social integration increasingly calls for participation by the parties directly concerned. They can be expected to give essential impulses for further social and societal developments, and they will ensure that the objectives and measures envisaged in the field of social policy will not overlook the actual requirements. This will help to ensure the citizens' support of decisions reached with the aid of employers and employees. To this end, the Economic and Social Committee must be placed in a position to express its views in all matters of economic and societal policy without requiring a specific mandate to do so.

The activation of the Permanent Committee on Employment is necessary, principally, in connection with the development of economic and monetary union. Since both sides of industry and the Community institutions are represented on it, it provides a suitable forum for the discussion of social and societal questions.

ANNEX C

REGIONAL POLICY: SUMMARY RECORD OF DISCUSSION OF LAST PARAGRAPH OF SECTION 5 OF DRAFT COMMUNIQUE

Herr Brandt agreed to maintain the words "from the preponderance of agriculture, from industrial change and from structural under-employment" leaving out the words "and of unemployment", because it was undesirable to give the impression that as well as structural unemployment which had already been mentioned every form of unemployment could be dealt with by the regional development fund. *M. Malagodi* agreed. *The Prime Minister* said that he could accept this; if "industrial change" and "under-employment" were kept, cutting out "structural" and "unemployment" that would be acceptable. *M. Biesheuvel* said that he supported this because the present text was too ambitious to be credible. He did not think that it was possible to adopt a text which meant that on every occasion on which a worker lost his job he would believe that the Community would intervene to find him another. He thought that the idea of structural under-employment meant that there were problems of structure; it did not refer simply to occasional or individual unemployment. *Dr. Mansholt* suggested that "under-employment" without "structural" meant "unemployment". As this was not the point the word "structural" was very important. It was the logic of a regional policy.

2. *The Prime Minister* then spoke as follows: "The Federal Chancellor and President of the Commission have given great importance to structure. The controversial question will perhaps be what the word "structural" means. If it refers to a particular firm in a particular region I think that one would not, properly speaking, be dealing with regional problems. On the other hand I agree with you that if a worker loses his job he cannot expect the Community to intervene to find him another. But this is covered by the passage where we speak of regional imbalance, where there could be under-employment. This is the subject we are dealing with. If we get lost in consideration of the structure, this will mean that we shall have to intervene when a firm gives up its activities in a given region and from that point we will not be dealing with the main industrial regions in the same way as the predominantly agricultural regions." *President Pompidou*: "Mr. Heath, allow me to say that we have had very long conversations on this subject and that I personally believe that the formula 'structural under-employment' covers your preoccupations. I say this in all sincerity. I believe that this is the term which is commonly used, at least up to now, within the Six to describe structural unemployment which relates to a permanent situation of profound change or of agricultural preponderance and which is not the same as temporary and occasional unemployment."

3. *Mr. Eyskens* suggested that the passage should refer to both under-employment and unemployment but *President Pompidou* said that in French they meant the same thing. *M. Werner* said that he had great difficulty in following this discussion as he thought the term "structural under-employment" represented very well what the Heads of Government wished to say and dealt with British preoccupations. He did not see any other solution. *The Prime Minister* then

said: "Mr. Chairman, I agree. It is a very difficult term. However the Treaty itself speaks of 'serious under-employment' from the point of view of economic aid (Article 92-3A). It does not speak only of 'structural under-employment' or of 'unemployment'. What I do not want is that we should this evening choose a term which will hamper us in dealing effectively with these problems in the industrial regions, not seasonal problems, not those which we accept to be cyclic or seasonal problems. This is a serious question for the region from the point of view of under-employment." *President Pompidou*: "I agree that the word 'serious' appears in the Treaty but in my view the word 'structural' is much stronger than 'serious'. In using the word 'structural' one really touches on essential changes, while the expression 'serious under-employment or unemployment' is a bit of eyewash. Here we have a technical expression which relates to a given situation. I say again as I did just now, having heard your anxieties at length—and they are not, as you know, the same as ours—that I believe that this term meets your anxieties." *M. Biesheuvel*: "I think that Mr. Heath should be impressed by Dr. Mansholt's agreement to the term 'structural under-employment' because Dr. Mansholt is a skilled artisan in this field. He knows about the problems of structural under-employment in agriculture and he is the spokesman for the terminology of the Six. I entirely agree with you, Mr. Chairman. I think that this corresponds exactly with what we discussed this afternoon and I ask our British colleague to accept this text because it responds to all our interests." *The Prime Minister*: "The President of the Council of Ministers and the President of the Commission are right. The word 'structural' takes account of changes in the industrial regions and is not limited to individual firms. I therefore accept 'industrial change and structural under-employment'."