

# EUROPEAN COMMUNITY NEWS

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**COMMISSION OF THE EUROPEAN COMMUNITIES**

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SOAMES VISITS WASHINGTON; OUTLINES EC'S INTERNATIONAL RESPONSIBILITIES

In his first visit to Washington as a Vice President of the Commission of the European Communities, Christopher Soames held a series of "get acquainted" talks with US officials February 15-16. Soames, who is responsible for the EC's external relations, was accompanied by Edmund Wellenstein, Director General for external relations, Pierre Malve, a member of the Commission President's cabinet, and Adrian Fortescue, a member of Soames' cabinet.

Before departing for the United States, Soames addressed the Overseas Bankers Club in London, England, on "The EC's International Responsibilities." The text of the February 5 address follows:

"The responsibilities which the Community bears in regard to external relations and those which remain the prerogative of the individual member states are to a certain extent distinct. Broadly speaking, they can be described as external trade policy on one side and foreign policies on the other. Of course, the two fields are intimately and inextricably linked, and there is a consensus that Europe must work to achieve its own foreign policy in vital domains. This was indeed the burden of the exhortation given by the [October 1972 Paris] Summit conference to foreign ministers. Who can doubt that Europe's influence in the world will be directly related to the extent to which we can in the future speak with a single voice?

"This imperative stems also from the process of enlargement itself. We always knew, on both sides of the Channel, that the enlargement of the Community would change its character. It has made the Community not just bigger, but different. The Community of the "Six" already had its political dimensions, but the politics of those days were primarily the internal politics of Europe itself. Now that it is a Community of "Nine," sheer size makes it a different animal. It has grown to a mass that is critical for the environment in which it lives.

"The Community always had many links with the rest of the world. Britain's entry has made these ties more substantial and numerous -- the Community cannot but be conscious of the value of Britain's close ties of friendship with Canada, Australia, New Zealand, and the rest of the Commonwealth. With all Europe's human and historic, cultural, constitutional, and economic links with literally every continent of the globe, our prime challenge now arises out of our relations with the rest of the world. We cannot be one of the mightiest industrial complexes, the largest trading unit, the richest holder of currency reserves in the world and not live up to the global responsibilities for peace and prosperity that fall on us by virtue of that potential power. It can be no purpose of ours to be an economic colossus yet a political pygmy. The time has come for us to play an adult political role in the world: a role that will demand common expression of a European policy in foreign affairs.

"This need for common policies and a common voice extends also into the economic, the trade, and the monetary domains....The heads of government at the Paris Summit expressed their determination to contribute to the reform of the international monetary system by a common attitude: they agreed on certain objectives, including the general convertibility of currencies, the reduction in the role of national currencies as reserve instruments, and an effective international regulation of the world supply of liquidities. As they recognized, this will require an effective adjustment process when the values of currencies, for any long term reasons, drift too far out of line. These problems are being discussed in the 'Committee of 20,' and will demand from the Community a common attitude on its external monetary relations which will need to be defined in parallel and in close conjunction with our progress towards internal monetary union. This is by no means a bad order of proceeding. It will ensure that whatever we Europeans do among ourselves will be done with our role in the world very much paramount in our thoughts.

"Equally, Europe's commitment to work with other countries towards a still further freeing of international trade is unequivocal. This year we will be involved in a whole series of overlapping negotiations. The bilateral negotiations under the General Agreement on Tariffs and Trade (GATT) to look at the consequences of enlargement begin in a few weeks' time. Later in the year we hope to start on multilateral GATT negotiations -- on nontariff barriers of all kinds as well as on customs duties, on agricultural as well as on industrial goods. We also have many other negotiations on our agenda.

"We have already been able to reach free trade agreements with those European Free Trade Association (EFTA) countries which from the outset felt unable to join the Community. We have thus achieved enlargement without creating any new trade barriers in Western Europe. We are now on the last lap of negotiations with Norway, a country we hope will one day join us as a full member. We are negotiating with various Mediterranean countries and preparing to do so with our present and our potential future associates in Africa, the Caribbean, and the Pacific. The Community has acknowledged a special concern for the Asian countries of the Commonwealth, and expressed that concern in the declaration of intent signed at the same time as British accession.

"There are other countries, in Latin America, the Middle East, and elsewhere, whom we must not and will not leave out of account. We know the developing world as a whole expects much from us: they look to us not for well intentioned sentiments, but for resolute and farsighted deeds. There is a great deal we can give. We have skills and experience, capital, and markets for their produce. Moreover, we are pledged to bear their interests in mind, both in our domestic policies and also in our future bilateral and multilateral negotiations.

"Thus, we see ahead a complicated pattern of negotiations which we must fit into a global concept of how we see the future of the international economic order. Only when we have cleared our minds on the overall concept can we sensibly work out its many interlocking parts. The task before the Community in the coming months is not merely to administer its own current economic affairs. We face the challenge -- and, united we have the opportunity -- to make a major contribution to reshaping the whole system of trade, aid, and payments in the world.

"In all this, the relationship between the Community and the United States will be crucial. The links between Europe and America are centuries old -- centuries, in which many of the most dynamic elements of our populations crossed the ocean to make North America what she is, and decades, in which American money and technology came back across the water to make their contribution to Europe today. America's sacrifices in two European civil wars, and her great contribution to Europe's defense today, themselves bear eloquent witness to the extent of our community of interest. For a long time now the United States has wanted, for sound political reasons, to see a strong European Community. Those reasons are surely no less valid today. If as a result of the Community's enlargement we have to take a fresh look at world trade problems and economic relations, then we must look at them together. They are problems to be discussed frankly between friends, in a spirit that also respects the interests of the rest of the world.

"In some of these forthcoming negotiations we shall be joined by another major power, Japan. Through its spectacular industrial achievements, by the nature of its domestic problems, and in its inter-relationship with us in trade and in monetary affairs that proud nation is now an integral and indispensable part of the world system. Its political influence in Asia, its efforts to help developing nations, its fast expanding exports all make it a force to be reckoned with, a force whose power for good we recognize and welcome alongside our own. All industrialized countries, notably Japan, the United States, and Europe, share a common interest in the orderly evolution of the world trade and payments system. We must all of us make our contribution and bear our share in the necessary processes of mutual adjustment.

"Let me, finally, say a word in regard to the Communist world. Between us and the countries of Eastern Europe, there are profound differences on a number of issues. Such differences inevitably stand in the way of their joining our Community, but they must not stand in the way of wider human and economic collaboration with them and the Soviet Union, across these political rifts. We are also glad to note China's increasing interest in the enlarged European Community and are conscious of the human and economic potential of that vast country. It is too early to see just how our future relations could develop, but there is surely scope for the tenuous links between us being strengthened to our mutual economic advantage and in ways that could bring also real political benefits.

"We may regret that the Community was not enlarged many years ago, but by great good fortune, enlargement has still come in time for us to seize a moment in history that can prove a turning point in world affairs. Between the great powers, this is a time when much that had been frozen for so long now seems at last to be very much on the move. The United States and the Soviet Union are working to put their mutual relations on a new and better footing. China and the United States are seeking to bridge the political void between them. In politics and in economics, options are opening up this year that just weren't there in the years gone by. This is a good moment for a wider, stronger, and more united Europe to emerge on the international scene with its own personality, to speak with a single voice, and to make its contribution in world affairs. Our old continent has been blessed with much experience and with many talents. It is not for us to hide those talents under a bushel any more than to brandish them vaingloriously about in the world. Our task is simply this: to use them, to the utmost, in the service of our own peoples, and for the benefit of our fellow men beyond our shores. That is what I think Europe is about."

#### FELLOWSHIPS FOR EUROPEAN STUDIES

Graduate students in American universities are eligible this year for "Pre-Dissertation Training Programs" sponsored by the Council for European Studies. The fellowships enable students to spend a summer or equivalent time in Europe exploring possible dissertation topics. Also available this summer are language training programs in Germany.

Applicants must have completed at least one year of graduate study and must intend to pursue a doctorate in their field. Applications may be obtained by writing: Pre-Dissertation Programs, Council for European Studies, 156 Mervis Hall, University of Pittsburgh, Pennsylvania 15213. The application deadline is March 1, 1973.

#### EC CONTINUES FIGHT AGAINST POLLUTION

The required rate of the biodegradability of detergents is now an average of 90 per cent throughout the Community. The biodegradability levels, as specified in two recent Council of Ministers directives, are higher than the member states' respective national requirements and higher than any previous international rulings on the biodegradability of detergents. These directives reflect the Community's interest in both harmonizing national legislation and protecting the consumer and the environment.

EURATOM RECEIVES NEW LIFE

For the first time in five years, the European Atomic Energy Community (Euratom) will have a multiannual research program. Budgets on only a yearly basis have been the rule, preventing continuity of effort and researchers' job security. The February 6 decision by the Council of Ministers, reached at 6:30 a.m. after an all-night "marathon" meeting, thus signaled a political commitment to the Community's collective, scientific research activity. Euratom now covers not only nuclear but nonnuclear research as well.

Euratom received an additional boost with the January 1 entry of the United Kingdom into the European Communities. According to the February issue of Nuclear News, published by the American Nuclear Society, British membership means "the Community's nuclear potential has been virtually doubled, and the competitive power of the enlarged Community in the nuclear sector will be considerably strengthened on a world scale." Britain not only has a greater annual nuclear materials capacity than the Community of "Six" but also brings wide experience in reactor development and construction.

US-EC TRADE STATISTICS

For the first time since the EC's inception in 1958, the United States has a trade deficit with the Community. According to the US Department of Commerce, the calendar year 1972 saw US trade with the Community of "Six" in the red by \$165.4 million. US exports to the Community totaled \$8.82 billion, while US imports from the Six amounted to \$8.98 billion.

Britain, Denmark, and Ireland, which joined the Community on January 1, 1973, had a trade surplus of \$464.5 million with the United States last year.

Worldwide, the United States exported \$49.68 billion worth of goods and imported \$55.56 billion in 1972 -- for a total trade deficit of \$5.88 billion.

MULTINATIONAL LABOR

Business on a multinational level is flourishing, and so may labor. Sixteen European affiliates of the International Confederation of Labor Syndicates have created the European Confederation of Syndicates (CES). The February 8 establishment of the CES has brought together approximately 30 million workers from 14 European countries, including all nine member states of the European Community. Victor Feather, president of the British Trades Union Congress, is the president of the new organization.

BRITISH PREMIER SPEAKS FOR EUROPE

British Prime Minister Edward Heath, during his visit to Washington for meetings with President Richard M. Nixon, spoke before the National Press Club in Washington, D. C. Excerpts from his February 1 speech follow:

"Last October the leaders of the nine Community countries met in Paris. We were not concerned to exchange smiles and platitudes. We were aiming to draw up an ambitious and imaginative program for the future of the Community, and to do so in the rest of this decade. That is what we aimed at, and that is what we achieved. The significance of that program has not yet been fully realized.

"We were not content with general principles. We set deadlines for work, decision, and action in many fields. We will encourage the development of industry on a European scale. We will work out European policies to protect our energy resources, to spread prosperity through the various regions, and promote improved conditions of work and employment. We aim to transform the whole complex of relations between European countries into a European union before the end of the present decade.

"This will be a new type of union. That is why I myself have never used the phrase 'United States of Europe.' That phrase gives the impression that we shall simply be following in the footsteps of your own remarkable achievement in creating a nation. We are dealing with an entirely different situation. We are dealing with ancient European nations, each with its own traditions and background, each determined to retain its identity. Our intention is not to destroy that identity but to build on to it a new European dimension which will enable us to secure, by common action, benefits which would be beyond our reach as separate nations. That is what we mean by a European Community....

"In the foreign field we are also moving towards unity. At the Summit we agreed that the aim should be to work out common medium and long-term positions on foreign policy matters. We already have a common commercial policy and speak with one voice in international trade negotiations. More and more I hope that the European countries will act as one. This is essential now that the Community is the largest unit in world trade.

"So once again Europe is on the move. Successive United States Administrations can take a big share of the credit for this. Over the years you have accepted the creation of a friendly, stable, and prosperous Europe as a major interest of the United States. You have accepted that this will mean greater competition for your industries. It will mean an independent European voice in the world which will not always share exactly the same views which you hold. But you have thought, rightly I am sure, that this was a price well worth paying in return for the larger goal. I would like to pay tribute to the farsightedness and consistency with which consecutive Administrations in the United States have helped Europe forward along this path.

"The effect of these changes in Europe will be far-reaching. Just as the growth of the population and the increased industrial prosperity of the United States has led to the consolidation of her world power, so we can expect the new union in Western Europe to alter fundamentally the authority of individual Western European states in world affairs.

"This position will not be used irresponsibly by the members of the Community. We made a public statement of our view in the communique issued at the end of the Paris Summit meeting. We said then that the Nine had decided to maintain a constructive dialogue with the United States, Japan, Canada, and their other industrialized trade partners....

"Protectionism is a sin of which no trading country is free, even if each of us tends to believe that he is more sinned against than sinning. You have your complaints about some of our European trade practices. We for our part have very real grievances about US trade barriers. There are many American measures that effectively discriminate against overseas suppliers....

"Do not forget that we in Europe are used to American goods, and that you have in Europe an enormous market place which will grow substantially in importance as our prosperity develops. The opportunities for the United States in Europe are very great if we can keep up the impetus for freer trade.

"In the monetary field, we have come closer together over the last year...The European Community is pledged to work for an equitable and durable reform of the system...

"Defense is still an essential part of the relationship between the United States and Europe...Until real detente has been achieved it would be foolish for the Western powers to weaken the solidarity or military power of our alliance. I think that this is common ground on both sides of the Atlantic. It is perfectly natural that you in the United States should from time to time re-examine the reasons for which you station forces in Europe. I believe that each such examination is bound to lead to the same conclusion. American forces are in Europe, not to do us a favor, but to preserve an essential American interest and to take part in the common defense of the Atlantic partnership.

"It is equally natural that the American effort should be compared with the effort of our European partners. We certainly recognize that as the relative economic strength of Europe increases, so too should the share of the common defense burden which Europe bears....

"We want to fortify the present relationship. We want to make it strong and durable, to take account of the shifts and changes of the past few years, the effect of which should not be overlooked; and to find common solutions which meet your needs and interests as well as our own. I am sure that this is the next major task we have to tackle together, and that is the main reason why I am here."



## P R E S S   V I E W S

### A NEW TRANSATLANTIC ERA

For the last quarter of a century, European unity has advanced with the persistent pushing, pulling, prodding, and benevolent support of the United States. But the enlargement at last of the Common Market from a continental combine of six nations into a truly European structure of nine opens a new era of transatlantic relationship for the Europeans and the United States....At the Summit conference in Paris last October, the nine heads of government of the enlarged Common Market worked with almost grim determination to put together a work program for the rest of this decade which would combine inspiration with substance, meaningful action with high-sounding goals. It is a program which touches everything from regional development to the establishment of monetary union and the creation of a European equivalent of the American Federal Reserve system. Along with [French President Georges] Pompidou, [British Prime Minister Edward] Heath set the tone and the goal when he told the Summit meeting: "The Community is now coming to take its place as a major power in the world."-- Don Cook, *The Atlantic*, February 1973.

### UNDERSTANDING US-EC RELATIONS

Washington -- If the Administration believes what it has been saying about forging a new relationship with Europe this year, if it believes what it has been saying about dealing with the enlarged Common Market as a major power in economic and political affairs, it had better start thinking seriously about the implications. Talk of economic relationships with Western Europe still brings to most American minds thoughts of the Marshall Plan and devaluated foreign currencies. But now it is the dollar that is in trouble. There is ample room for argument why that is so, and the arguments should be made in public. The Europeans are standing on their own legs now, just as successive American administrations urged them to. Thoughtful Americans knew all along they would pay a price for that fact. But not until that is generally understood will Americans in general accept it. And not until their leaders explain why, will they accept it. Unless they do so fairly soon, the cost might be high. -- James S. Keat, *The Baltimore Sun*, February 11, 1973.

HEATH, NIXON FOR TRADE

Amidst all the careful compliments and the traditional references to the alliance, Britain's Prime Minister delivered one pointed message to the President. Mr. Heath said, publicly and emphatically, that between Europe and the United States there are now two areas of "serious and urgent problems." One is the reform of the world monetary system, and the other is world trade. Monetary reform is moving slowly forward. But trade is another matter....There are now several very good reasons for the Administration to move forcefully toward a rational policy on foreign trade. Mr. Heath touched on one of these reasons when he observed that Europe is a huge marketplace, and it is well accustomed to American goods. "The opportunities for the United States in Europe," he said at the Press Club, "are very great if we can keep up the impetus for freer trade." If we cannot keep it up, of course, the opportunities will prove markedly less great. -- Editorial, *The Washington Post*, February 7, 1973.

MONETARY CRISIS AND EUROPEAN UNITY

Brussels, February 13 -- Western Europe...consider[s] the second devaluation of the dollar in 14 months good news. The realignment has accelerated efforts to set up a more viable monetary system and end the crisis that was straining economic and political relations in the West...In the European Economic Community, officials were particularly struck by the ability of the Common Market to deal with a crisis without the deep divisions that marked the past outbreaks of currency turmoil...The division was so great then [in 1971] that plans for a Common Market monetary union by 1980 had to be shelved. Now there may be some action on integration of economies and currencies. The latest crisis appears to have demonstrated the will of the Common Market countries to make "European" decisions. -- Clyde H. Farnsworth, *The New York Times*, February 14, 1973.

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**FIRST CLASS**