

EUROPEAN COMMUNITY NEWS

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COMMISSION OF THE EUROPEAN COMMUNITIES

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ORTOLI-NIXON
TALKS "VERY
POSITIVE"

Meetings between European Commission President Francois-Xavier Ortoli, President Richard M. Nixon, and Secretary of State Henry A. Kissinger during an official visit to Washington October 1-2 centered on the proposed US-EC joint Declaration of Principles, forthcoming trade negotiations, international monetary problems, and the world's growing food shortage. Speaking to newsmen following the talks, Ortoli described the discussions as "very positive, broad-ranging, and useful."

Ortoli's meeting with President Nixon and Secretary Kissinger the morning of October 1 was followed by a working luncheon at the State Department with Kissinger and other US officials, including Senator William J. Fulbright, Deputy Secretary of State Kenneth Rush, and US Representative to the European Communities Ambassador Joseph A. Greenwald. Accompanying President Ortoli were Emile Noel, Secretary General of the Commission; Edmund Wellenstein; Director General for External Affairs; Beniamino Olivi, Spokesman of the Commission; Philippe de Margerie, Chief Executive Assistant to President Ortoli; Pierre Malve, Executive Assistant to the President, and Denis Gautier-Sauvagnac, the President's Counselor for Economic and Monetary Affairs.

Ortoli also met with other senior Administration and trade officials during his visit, the latest in a series of official visits to Washington by Commission Presidents. Jean Monnet made the first visit in 1953.

Following is the text of Ortoli's statement at a news conference at Blair House on October 1 after meetings with President Nixon and Secretary Kissinger:

"Two years ago, my predecessor, President [Franco Maria] Malfatti, came to Washington on the eve of a major decision for the Community of the Six; that of its enlargement. He came to announce that immediately after enlargement, the Nine would be ready to enter into worldwide trade negotiations. (continued)

"Today, the Community of the Nine is on the verge of new and important internal developments. It is also prepared to assume its full role in the major negotiations which are now getting underway.

"By the end of the year, I expect the Community to take a new step forward by carrying out the decisions of the Paris Summit. These decisions are those necessary to enable us to reach the goal of economic and monetary union by 1980. I have discussed this today, stressing that the Community, which is already an equal partner in the formulation of the world's trade policy, is beginning now to speak with one voice in monetary affairs and has shown its political dimension during the recent Copenhagen Conference on the future of US-European relations.

"In this way -- through common efforts -- our European identity emerges.

"This European identity has a particular meaning. It does not confer upon us an opposition role. It does enable us to enter into constructive dialogues and carry out common tasks with our partners, and particularly with the United States. We have discussed this perspective with President Nixon and Secretary Kissinger in the context of the discussions which are now taking place. I am confident it will help confirm our common objectives.

"This declaration of common objectives will be important. But equally important will be the decisions to come in the near future. Among those, the most vital are:

- the success of the worldwide trade negotiations in Tokyo, undertaken on the initiative of the Community, the United States, and Japan. We await with great interest the final vote of the US Congress on the pending Trade Bill;
- rapid progress in negotiations on the reform of the international monetary system. Agreement between the United States and Europe will be decisive for a return to stabilization, without which no sound constructive progress would be possible in other fields;
- a deeper commitment by all rich countries, by Europe, the United States, and other industrialized nations, in favor of the developing countries.

"Our discussions on these subjects have been frank, concrete and constructive. I am grateful to President Nixon for having made them possible. I am confident that they will contribute to strengthening the bonds of mutual interest that have long characterized relations between the United States and Europe."

FIRST ECSC LOAN TO A NEW MEMBER STATE

A Danish steel company's development plan for doubling its annual steel output from one half to a million tons and for creating 500 new jobs will be assisted by a loan of 7.6 million units of account (UA) from the European Coal and Steel Community (ECSC). (One UA equals one 1970 dollar.) The loan agreement between the EC Commission and Danske Stålvalseværk, AS marks the first loan from the ECSC to a company in a new Member State. Since January 1, ECSC loans have totaled UA 200 million.

EIB, EDF LOANS
TO IVORY COAST

Development projects in the Ivory Coast's Southwest will receive loans totaling 21,690,00 units of account (UA) from the Community's European Investment Bank (EIB) and European Development Fund (EDF). (One UA equals one 1970 dollar.) As one of the Community's 19 African Associated States, the Ivory Coast is eligible for this aid.

A 33,358 acre rubber plantation, expected to double Ivory Coast rubber cultivation, will be financed in the initial stage by an EDF loan to the Ivory Coast Rubber Company (SOCATCI) for UA 6,928,000. Thirty-seven miles from the port of San Pedro, the plantation, in full operation, will produce 27 tons of latex annually. The project, estimated to cost UA 252 million, will create 4,000 new jobs and improve the Ivory Coast's balance of payments.

The EDF has also granted a loan of UA 6,842,000 to the Ivory Coast Republic, in conjunction with a special EIB loan of UA 7,920,000 for improving and asphaltting the port of San Pedro-Issia road, the main trunk road in the Southwest.

EMERGENCY FOOD
AID FOR INDIA,
PAKISTAN, AND
ETHIOPIA

Emergency food aid to the millions of people stricken by floods in India and Pakistan and by drought in Ethiopia has been proposed to the EC Council of Ministers by the Commission. The Commission wants to send 10 billion tons of wheat to India and Pakistan and supplement the International Red Cross' emergency supply of powdered milk by 1.5 million tons. Ethiopia would receive 5 billion tons of cereals and 120 tons of powdered milk in Community aid to help the two million people suffering from severe food shortages and heavy losses of livestock. EC emergency aid includes financing transportation costs to port of debarkation and free distribution of goods to the affected populations.

CONTROLS
NEEDED FOR
DANISH
FISHING
GROUNDS

Community action to conserve biological resources and safeguard fishing activities around the Danish islands of Greenland and the Faroes was recommended to the Council of Ministers in a September Commission report. Safeguards offered for Council consideration include fishing restrictions in the Danish-supervised extension of the 12-mile territorial limit, a fixed annual catch quota for certain fish giving priority to Greenland and Faroe Islands fishermen, regulating fishing techniques, and imposing seasonal limits on fishing rights.

The Commission also said that Community financial institutions could be tapped to modernize the fish processing industry on these islands. Taking into account the effect of these safeguards on other EC regions whose fishing industry depends on Greenland and the Faroes, the Commission proposed that the affected regions be made eligible for similar Community aid. Safeguards similar to those proposed for the Danish islands could be applied to other EC regions with, the Commission said, similar economic and social problems.

EC'S BIGGEST
PROBLEM IS
INFLATION

Continued inflation still jeopardizes the European Community's progress toward full economic and monetary union, according to the Commission's Third Annual Report on the Community's economic situation. Therefore, the report said, the battle against inflation must be given highest priority among the Community's economic objectives. The report, the first to encompass the enlarged Community, was submitted to the Council of Ministers on September 18 and will be sent to Member State's legislatures for consideration during budgetary debates.

Inflation is worldwide, the Commission noted in reviewing the general economic situation. Rapid growth in booming industrialized countries has been accompanied by inflation aggravated by monetary disorders, commodity speculation, and supply problems which have skyrocketed raw material and foodstuff prices.

The Community's situation for the first half of 1973, the report found, was characterized by rapid economic growth and accelerating exports to third countries. The leveling off of exports to the United States was offset by sales to other European and developing countries. The growth of intra-Community trade was boosted by the first 20 per cent tariff reduction between the Community and the three new Members, Britain, Denmark, and Ireland. The report also saw a drop in unemployment.

Despite EC anti-inflationary measures, overall price increases gained momentum in the first half of this year. The rate of increase jumped from a range of 5.5 per cent to 8 per cent in 1972 to a range of 6 per cent to 11 per cent in 1973.

The report also found a slight deterioration in the Community's trade balance. Internal demand has stimulated imports, but supply shortages have reduced exports.

The Commission sees a continued vigorous economic expansion in the Community during 1974.

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FIRST CLASS