

EUROPEAN COMMUNITY NEWS

PUBLISHED FORTNIGHTLY

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COMMISSION OF THE EUROPEAN COMMUNITIES

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NO. 5 FEBRUARY 8, 1974

THE EC
IN CRISIS
-- ORTOLI
PRESENTS
COMMISSION
APPEAL
FOR UNITY

"At this time of challenge, Europe itself is in a state of crisis -- a crisis of confidence, of will, and of clarity of purpose," according to the EC Commission's declaration on the "State of the Community." EC Commission President Francois-Xavier Ortoli presented the statement at a press conference in Brussels, January 31. Citing the blow dealt to the planned economic and monetary union by the French franc float and the Community's failure to set up a Regional Development Fund and to define its stance toward the rest of the world on major issues, Ortoli said the setbacks of the last few weeks cast "grave doubt on the will of our governments to move forward and on the ability of our institutions to perform their tasks."

The declaration called on the EC Heads of State or Government to honor their decision to unite Europe by acting together in formulating new policies to confront the current economic situation. If these policies are to converge, he continued, EC members must follow a single economic strategy which includes:

- o pursuing mutually consistent and concerted economic and monetary policies without competitive currency depreciations or trade restrictions
- o maintaining the highest possible degree of activity and employment by adopting general guidelines for a common framework and common disciplines to be followed by Member States
- o establishing permanent procedures of consultation on economic and monetary matters.

Ortoli stressed the need for joint EC action on matters concerning economic and monetary union, energy, and international economic and monetary relations. The February 11 International Energy Conference in Washington, said Ortoli, will "be the test of our common determination in the international relations."

"European unity will move forward again," he said, "only if there is a lasting change in the behavior of our states. They must adopt a new mentality that displays greater resolve and lends added weight to European policies." Ortoli pointed to the need for improving the Community's institutions: "The degree of unity which Europe needs calls for institutions that can carry through a genuine policy without delay and without interruption." The declaration concluded by calling on all Europeans to "play their part in pursuing these common lines of action and so enable the Community to find itself again by deeds."

"NINE"
ADOPT
JOINT
POSITION
FOR ENERGY
MEETING

The "Nine" adopted joint guidelines on February 5 for the International Energy Conference in Washington on February 11.

The Community will be represented at the Conference by Acting Council President, German Foreign Minister Walter Scheel, Commission President Francois-Xavier Ortoli, Commission Vice Presidents Sir Christopher Soames and Henri Simonet, and Jens Otto Krag, Head of the Commission's Delegation to the United States.

HALLSTEIN
PRAISES
COMMISSION
DECLARATION

Walter Hallstein, president of the European Movement, applauded the EC Commission's declaration on the "State of the Community" in a February 1 message to EC Commission President Francois-Xavier Ortoli. Hallstein is a former EC Commission president. Following is an unofficial translation of Hallstein's message:

"In a crisis without precedent in the history of the European Community, the Commission has shown objectivity, strength of judgement, and political independence. May its call inspire courage in all European citizens at a time of grave danger, and may it compel, by every democratic means, the Member States to keep to the agreements and to the decisions already concluded and to carry out their proclamations for a European policy before it's too late. The Commission deserves thanks for what it has done in fulfilling its most urgent task, being the guardian of the common interests of all Europeans. By doing so, it has brought itself honor in the eyes of everyone."

RHINE
BASIN
STUDY
ISSUED

A preliminary study on measures to fight pollution in the Rhine River Basin was recently published by the Commission of the European Communities. This pollution seriously hinders the use of water for drinking, agricultural, industrial, and other purposes, the study said. Highlighting the study's planned or recommended measures are the creation of an Agency for the Rhine Basin and stepped-up reserach.

TEACHERS TO
MEET WITH
COMMISSION

European Community members of the World Confederation of Organizations of the Teaching Profession (WCTOP) will hold their first meeting with EC Commission education officials in Brussels, February 11-12. Twenty five WCTOP teacher organizations, with a total membership of 870,860, will be represented at the meeting organized by the Commission.

The meeting will enable the WCTOP delegates to review the current work and general educational plans of the Commission, in particular of the Research, Science, and Education Directorate headed by EC Commissioner Ralf Dahrendorf. The meeting will also cover topics such as schools and higher education; mutual recognition of diplomas; vocational education and training; cultural affairs; and procedures for establishing a permanent liason between the Commission and its WCTOP members.

COUNCIL
CRITICIZED
FOR
REGIONAL
FUND
INDECISION

Alfons Lappas, chairman of the Economic and Social Committee, expressed dismay at the Council of Minister's inability to reach a final decision on the establishment of the Commission's proposed Regional Development Fund. In a letter to Council President in office Walter Scheel, Lappas recalled that the Committee unanimously stressed the need for setting up the Fund as rapidly as possible with adequate funding. He urged the Council to reach a decision without delay in favor of the disadvantaged regions which "justifiably expect a gesture of European solidarity."

MANAGEMENT
FEELS
SLOWER
GROWTH

Industrial growth in the European Community lost some momentum in July-October 1973, according to a management survey published in January by the Commission. The number of business managements considering their total orders to be "above normal" fell from 27 per cent to 26 per cent between the end of July and the end of October. In addition, 20 per cent of those polled expected a rise in production, 6 points less than in July.

CHICKEN
QUALITY
STANDARD
PROPOSED

Common Market chicken will be required to meet a stringent water content standard if the Council of Ministers adopts a February 4 proposal from the EC Commission. The proposal would prohibit sales, both within the Community and to third countries, of "top quality" chicken whose net weight contains more than 8 per cent water. The proposal also defines an effective method for testing EC chickens.

EXPERTS
STUDY
EC AUTO
INDUSTRY

How long can the European Community's automobile industry maintain its present growth rate? To find out, the EC Commission has asked a group of experts to conduct a study of the car industry's probable development over the next 10 years. The EC auto industry currently supports approximately 10 per cent of Europe's population, either directly or indirectly. Over the last 10 years it has had a growth rate of about 8 per cent.

CHEYSSON
TALKS ON
DEVELOPING
COUNTRIES

Skyrocketing oil prices are an indication of the international economic order's incapacity to deal with the problems of developing countries, according to Claude Cheysson, EC Commissioner responsible for development aid. Cheysson spoke at the Yaoundé Convention's parliamentary conference in Brussels, January 30 - February 1. "If we believe in development," he said, "we must find means to neutralize the catastrophic consequences of the oil crisis for the developing countries."

Stressing the importance of financial aid for developing countries, Cheysson said Europe should increase its overall financial effort and give additional support to the least developed countries. Discussing the commercial aspects of the negotiations to replace the Yaoundé Convention, Cheysson said lower EC tariffs could not sufficiently increase developing countries' exports and consequent production. He pointed to Commission proposals for stabilizing export receipts as the first step toward finding global solutions to ensure a constant and growing buying power for the developing countries.

Krag
ADDRESSES
INTERNATIONAL
INVESTMENT
SYMPOSIUM

Jens Otto Krag, Head of the Washington Delegation of the Commission of the European Communities concluded a February 6 speech on US-European relations by saying, "The story of Atlantic relations over the past quarter of a century is a brilliant success story." Krag spoke in Washington at the International Symposium on Foreign Investment in the United States, sponsored by the US Chamber of Commerce. Since EC enlargement, he asserted, there has been no fundamental change in the "favorable economic relationship" between the Community and the United States. Praising Secretary of State Henry A. Kissinger's initiative to open up a new dialogue with Europe, Krag said the ensuing US-EC discussions on a common declaration of principles should be seen as "the beginning of a new constructive dialogue and as an historic milestone in the establishment of a new pattern of relationships."

Concerning the energy crisis, he said a fair balance must be found "between the claims of the producer countries and the interests of the other nations -- rich or poor." He pointed to the reform of the international monetary system and the negotiations within the General Agreement on Tariffs and Trade as other challenges of joint statesmanship for Europe and America.

Although recognizing that Europe has a long way to go before being truly unified, Krag emphasized that the goal of achieving a "European Union" by 1980 has been "solemnly set and confirmed" by the nine Heads of State or Government.

CORRECTION

The "gold reserves" item in European Community News No. 4, February 1, 1974, should have read that skyrocketing oil prices would cost the Community an additional \$17-18 billion annually.

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FIRST CLASS