

EUROPEAN BACKGROUND INFORMATION COMMUNITY

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BACKGROUND NOTE

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A UNITED EUROPEAN COMMUNITY GOES TO "NORTH-SOUTH" CONFERENCE

The European Community, representing its nine member countries, takes its place tomorrow at the Paris Conference on International Economic Cooperation, nearly a year in the making.

Postponement of the two-to-three day conference was narrowly averted when the United Kingdom agreed to be represented by the Community. As a result of a compromise reached at the December 1-2 meeting of the Community member's heads of State and Government in Rome, the United Kingdom dropped its claim to a separate seat which it said it needed as the only major potential oil producer of the "Nine". Speaking in the House of Commons on December 4, British Prime Minister Harold Wilson said he was pleased with the compromise: "...British interests in the field of energy are safeguarded..the resolution of so difficult a problem has enhanced, not endangered, the cohesion of the Community."

The Negotiating Procedure

Nine industrial powers (the Community, the United States, Japan, Canada, Australia, Switzerland, Sweden, Austria, Spain) and 18 developing countries (Algeria, Brazil, India, Iran, Saudi Arabia, Venezuela, Zaire, Nigeria, Mexico, Cameroon, Argentina, Jamaica, Peru, Indonesia, Egypt, Zambia, Pakistan, Yugoslavia) and Secretary General of the United Nations Kurt Waldheim are participating in the conference. Work will be done in four committees (energy, raw materials, development, financial affairs) and the results presented to the ministerial meeting. Cochairmen of the ministerial conference will be Canada and Venezuela.

According to the compromise reached in Rome, the Community will be represented by the Presidents of the Council of Ministers and of the Commission. These spokesmen can ask representatives of two member countries for comments, based on their experience but within the limits of the Community's negotiating mandate. Within each committee, the Community's spokesmen will be assisted by

representatives of member states. The Community's negotiating mandate will be enlarged as the North-South dialogue progresses.

Origins of Conference

The conference, to last two or three days, grew out of the energy crisis and its inflationary impact on the world economy as a result of the added costs of raw materials and energy used in manufacturing. The idea for a dialogue between oil producing and consuming countries was first broached last year by the Shah of Iran. French President Valery Giscard d'Estaing called the first preparatory meeting, in Paris, for April 7.

The meeting ended on April 15 with the participants in complete disagreement. The United States, with support from some other countries, insisted that the conference should deal with energy and relations with oil producing countries. The developing countries, which also had to pay higher oil prices, were equally insistent that development aid and raw materials -- their main sources of income -- should be included.

Between May and September, thinking and attitudes evolved, both inside and outside the Community. In preparation for the seventh Special Session of the United Nations (UN) General Assembly on raw materials and relations with developing countries, the Community prepared position papers on related issues, including energy and ways of stabilizing those countries' export earnings. Similar studies were being made by the Organization for Economic Cooperation and Development (OECD).

On August 18, France sent participants in the first preparatory meeting a list of criteria on the basis of which they might possibly agree to resume the dialogue. These countries were then invited to another preparatory meeting in Paris, on October 13.

The meeting, which lasted until October 16, unfolded in a much more relaxed climate than had the first. The changes in outlook that had taken place over the summer had shown up in September at the UN seventh Special Session, where the rich and the poor parts of the world had listened to each other's problems and looked for solutions instead of confronting each other. At the October meeting, the developing countries had a single spokesman (Venezuela), which eased discussions. On the first day the North-South dialogue became the "Conference on International Economic Cooperation."