

EUROPEAN BACKGROUND INFORMATION COMMUNITY

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BACKGROUND NOTE

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EUROPEAN COMMISSION PRESIDENT REPORTS ON TALKS WITH CARTER

Roy Jenkins, president of the European Commission of the European Communities, on his first official visit to Washington said the next month's economic summit in London and energy were the principal topics during his meetings Monday with President Carter, Secretary of State Vance, Treasury Secretary Blumenthal and Special Trade Negotiator Robert Strauss. Today Jenkins met with Ambassador Henry Owen, Carter's special assistant on preparing the London summit, and with congressional leaders.

On energy, Jenkins said he was "in favor of ringing alarm bells and fairly loudly." Jenkins held a press conference at Blair House shortly before he concluded his two days of talks in Washington with US officials. He said he agreed with President Carter that the world needed to be awakened to the energy crisis.

Carter's emphasis on energy conservation, said Jenkins, "cannot but help the European Community." Because of Europe's vulnerability as an energy importer, he said, European ability to deal with the dangers posed by critical oil supplies is closely tied to a reduction in US pressure on the world oil market. "We're less profligate than you in the use of energy," Jenkins said, pointing out that the United States is the world's leading energy consumer. He said the European Community had reduced its energy consumption by 2 1/2 per cent in 1976.

Jenkins said Carter understands the need for a continuing nuclear program in Europe. In particular, he added that "If we don't get enriched uranium, the incentive for reprocessing uranium," which Carter has said he opposes, "will be even greater."

Jenkins said he hoped the London economic summit would "concentrate on essentials" and develop an alternative strategy rather than continuing attempts to get some nations "to reflate faster than they themselves judge right."

"Minor reflation via consumer booms has had only a marginal effect on the economies of other countries, in any case," he added.

The strategy that Jenkins considers best would be the development of mutually beneficial measures in the North/South dialogue for the developed and developing world, "and not merely a charitable enterprise for the latter." Such a package, Jenkins said, might include: immediate aid to the poorest countries, commodity agreements with a common fund, and measures to stabilize export earnings and to secure supply and investments.

The European leader said he also discussed the status of Multilateral Trade Negotiations with US officials, and noted that he was "encouraged" by Carter's liberal stand on trade policies. Jenkins said he believed "a substantial and constructive approach" to the trade negotiations this year would make it easier to contain protectionist pressures in both the United States and Europe. Jenkins called for a "strong political directive" from the London summit to move forward the Multilateral Trade Negotiations. He cautioned, however, that the Zenith case -- in which a New York customs court ruled that Japanese rebates of commodity taxes on electronic exports are indirect subsidies -- could have "difficult and damaging consequences" if an appeal did not succeed.

Progress on agriculture could be made in the Multilateral Trade Negotiations as long as "theological" positions were not adopted, Jenkins said. He said the United States has to recognize that even with the so-called high protectionism of the Community's Common Agricultural Policy the European Community still has a net deficit in agricultural trade with the United States of \$4.5 billion to \$5 billion.

Jenkins said he was "impressed by the warmth" of the US welcome "and by the depth and value of our discussions." He said President Carter had given him "concrete indications" of the US attachments to closer relations with the European Community. Jenkins also called for "extremely close and more equal relations" between the United States and the European Community.