



EC Supports Global Negotiations In Wake of Cancun

Statement in General Assembly

The European Community fully supports the statement attributed to the world leaders who met in conference at Cancun, Mexico, in October, and its formula for launching global negotiations on North-South issues. Following is a statement made to the General Assembly of the United Nations by the United Kingdom on behalf of the Community:

"The European Community and its Member States are committed to seeing relations between developed and developing countries take a new and constructive course. In this context, we are clearly on record with the view that preparations for the new round of global negotiations should be completed as soon as possible. We welcome accordingly the statement made by Heads of State and Government at Cancun to the effect that it was desirable to support at the United Nations, with a sense of urgency, a consensus to launch global negotiations on a basis to be mutually agreed and in circumstances offering the prospect of meaningful progress. We stand ready to resume discussions.

The Community joined in the consensus on General Assembly Resolution 34/138. We believe the Resolution remains valid and a suitable basis on which to work for agreement on the launching of global negotiations. As regards the specific procedures to be adopted as a satisfactory basis for their launching, we shall listen with attention to the views of others. We would wish to see procedures enabling global negotiations to concentrate on the real problems which are causing concern and misery in the world and which will enable us to deal with them in a practical fashion. As in the past, the Community believes that in the context of global negotiations, the General Assembly has an essential role to play. Similarly, the Community believes that the specialised agencies must play a key role and that their competences should be respected.

Mr President, I should like to outline briefly our perception of some of the key issues which should stand in the forefront of international discussion which we have in the past proposed for the agenda for global negotiations. We endorse the five main headings set out in Resolution 34/138. In the area of raw materials and trade the Community remains committed to the maintenance of an open-trading system and continued firm resistance to

protectionist pressures, access to markets for commodities of particular interest to the developing countries and appropriate steps to improve their export earnings is of fundamental importance to the third world. Other key questions are urgent consideration of ways and means of increasing agricultural production in developing countries and improving world food security. Important issues on the energy front include demand, supply and prices, investment in and financing of energy development, conservation and the consideration of measures for diversification of energy resources. As regards money and finance, we are all aware of the serious problems of adjustment that have faced non-oil producing developing countries during the 1980s. The question of increased resource flows both nonconcessional and concessional to the third world are of vital importance.

Mr President, the dialogue between North and South has been in the doldrums over the last year. We also know only too well that the present state of the world economy offers little cause for optimism. For these reasons, the European Community and its Member States welcomed both the emphasis of the summit conference of Heads of State and Government at Cancun on relationships between North and South and its outcome, which has given useful impetus to our deliberations here. At the same time Cancun's example of concentration on substance could help us all to work together in the search for practical solutions to the benefit of all. We are ready to follow your guidance, Mr President, in any direction that may lead swiftly to agreement at this assembly on an early decision to launch global negotiations."

African, Caribbean and Pacific Countries Take Up Observer Status At United Nations

Lome Group Sponsored by EC

The 61 African, Caribbean and Pacific countries which are linked to the European Community through the Lome Convention were admitted to observer status as a group on October 15.

In co-sponsoring the group's application, Sir Anthony Parsons, United Kingdom's Permanent Representative to the United Nations, speaking on behalf of the Community, said:

"Mr President, the European Community and its Member States have a long-standing commitment to the development of the Third World. We believe that cooperation with developing countries and the intensification of international economic relations serve the interests of all concerned. In this context, we recognize that developed countries should do everything possible to help developing countries extend their export markets for raw materials and for manufactured and semi-manufactured goods. It is in keeping with this commitment that the First and later the Second Lome Convention between the Community and (in the case of Lome II) the 61 ACP states were drawn up and testify to the Community's recognition of our mutual inter-dependence. The Conventions are in the form of a freely negotiated contract between partners with common institutions promoting a continuing and constantly improving dialogue.

Mr President, our relationship with the ACP countries under the Lome Convention is a unique one. It represents an attempt by the Member States of the European Community to coordinate their aid policies with a group of developing countries, an important part of which is through the European Development Fund worth some 4.6 billion European Units of Account (approximately some \$6.0 billion at today's exchange rates) over five years. However, it is not of course an exclusive relationship. It is independent of both extensive bilateral programmes given by Member States and other forms of financial and techni-

cal help and food aid undertaken by the Community including, for instance, our programme of aid with non-associate developing countries.

I will not here detail the contents of Lome II, but merely note that it covers the following areas. Firstly, trade cooperation whereby nearly all products from ACP countries can enter the Community duty free. The Community demands no reciprocal action by its partners. The list of products that benefit from duty free entry to the Common Market has since been enlarged by comparison to Lome I since it now covers more than 99.5% of ACP exports.

Another sector of Lome deals with the stabilization of export earnings. The Community guarantees a minimum income to ACP countries for their earnings from exporting a certain number of basic products to the Common Market.

A further sector is financial and technical cooperation, where the European Development Fund contributes to financing the development of ACP countries on the basis of programmes drawn up by each of them particularly in areas of rural development, industrialisation, economic infrastructure and social development. In the sector of industrial and agricultural cooperation, there is increased collaboration in such areas as energy prospecting, new energy sources, maritime transport and fishing.

Mr Chairman, I find this picture an encouraging one. For the Community and its Member States, the Lome Convention is one practical aspect of the commitment we accept to promote the development of developing countries. It follows from my earlier remarks that the benefit flows two ways and underpins deeper relationship of a special quality between the countries concerned. We see this also as a contribution to the strengthening of cooperation in the North/South Dialogue. I should also recall briefly that we have woven a network of further agreements with other groups of developing countries.

Mr President, I repeat that we recognize the reality of our mutual inter-dependence and attach highest importance to the continuing dialogue in this forum between developed and developing countries. For this reason, we warmly welcome and support the application of the ACP countries "

E.C. at the U.N. General Assembly

Lord Carrington addresses the General Assembly

"The European Community is a force for peaceful progress (...) We respect the right of all nations to self-determination and freedom from foreign interference and we wish to help them in their pursuit of stable economic growth", declared Lord Carrington, British Foreign Secretary and acting President of the Council of the Community, at the thirty-sixth session of the United Nations General Assembly in New York (22.9.81).

He began his address by emphasizing the three fundamental principles of the Community: the desire for peace, social and economic collaboration and the defence of human rights. With reference to the first of these principles, he embarked upon a "catalogue of unsolved problems". Considering the Arab-Israeli conflict, Lord Carrington urged the parties concerned to take part in negotiations for a peaceful settlement. The Community would facilitate such negotiations by providing a "climate of confidence", he said.

Touching on the problems of the Lebanon, Lord Carrington applauded attempts by the Lebanese government to bring about national reconciliation. He also paid tribute to the efforts of the United Nations Interim Force

The President of the Council condemned both the South African incursion into Angola and the Soviet military occupation of Afghanistan. He assured Community support for Namibia's claim for self-determination and welcomed a speedy implementation of the United Nations plan. Lord Carrington went on to express the hope that a comprehensive settlement would be found in Kampuchea which would guarantee both independence and neutrality

The Community also supports the negotiations between the United States and the Soviet Union for the mutual limitation of nuclear forces. "Non-proliferation of nuclear weapons remains a vital element for the security of us all", Lord Carrington reminded the Assembly

He then turned to the international economic principles of the Community. In spite of the economic problems which the industrial world is facing, the Community wishes to improve economic relations with the developing countries, to promote the recovery of the world economy as a whole. Endorsing the work of the GATT,

Lord Carrington reiterated the Community's commitment to the principles of free trade. Pointing out that the Community and Member States provide 39 per cent of all aid to developing countries, he reminded the Assembly that Lome II further extended Community trade and substantially increased aid granted to ACP developing countries.

The Community has taken an active part in the United Nations conference on new and renewable sources of energy in Nairobi, continued Lord Carrington. It now looks to the North-South Summit in Cancun, Mexico, to provide the "political impetus" for a new round of global negotiations with the Third World.

In conclusion, Lord Carrington affirmed the Community's commitment to the protection of human rights. "We especially condemn cases of torture, detention without trial or arbitrary execution. We think it deplorable that there should still be situations where people disappear without trace, or where they are persecuted on grounds of race or religion or for defending human rights".

EC Agriculture Council

Long-term contracts for food exports

At the EC Council session on agriculture, which ended on Monday 19 October, the question of long-term contracts for food exports was discussed. Speaking to the press afterwards, the President of the Council, Mr. Peter Walker (U.K.) stated that no final decision on the matter had been taken, but that there had been a frank and useful discussion of the principal issues between the delegations. These issues have now been referred to the Special Committee on Agriculture for more detailed examination

The discussion on long-term contracts for food exports took place against the background of the 30 May Mandate. The main proposals of the Commission were contained in that mandate. It recommended keeping the main principle of the Common Agricultural Policy (CAP) intact i.e., unity of the market, Community preference vis-a-vis third country imports and financial solidarity. But the policy should now be adapted, in view of the fact that the Community has become self-sufficient in most major foodstuffs. To prevent increased productivity turning into burdensome surpluses the Commission made the following proposals.

- price policies must aim at the progressive alignment of Community prices with those of its major competitors;
- there must be a price hierarchy in order to ensure a better production balance within the Community;
- a more active export policy based on long-term contracts and cooperation agreements should be pursued;
- producer co-responsibility should be extended to all areas of surplus production;
- possibilities of direct income support should be examined.

The Council discussion was an airing of the views of the different delegations, rather than a search for a consensus. Some governments were strongly in favor of long-term contracts. However, these contacts would not necessarily be the most suitable instrument for exporting milk products and transformed products, which interest the Community more than commodities such as cereals. Other governments expressed the fear that such contracts would lead to further surpluses and arouse unpleasant international reaction. The problem of credit facilities was also discussed.

The session concluded having agreed to submit the subject to the Special Committee on Agriculture for more detailed examination. And the Commission has announced that it will present plans with a view towards opening negotiations with two developing countries.

EC Steel Exports to the U.S.A.

Statement by Etienne Davignon, Vice President of the E.C. Commission, Nov. 6, 1981.

Learning of the Department of Commerce's intention to initiate proceedings which could lead to the imposition of countervailing duties on French and Belgian steel imports, Mr. Davignon has indicated, on behalf of the EC Commission, his very strong disappointment.

Consultations concerning European steel exports to the U.S. have been taking place since March to avoid any strengthening of protectionist measures and to achieve a more equitable functioning of the trigger price mechanism (TPM).

The specific decision taken by the Secretary of Commerce was made while these consultations were still in progress. While imports of European steel have increased during the last few months they

have, nevertheless, remained at less than 5% of the U.S. market during the first nine months of 1981. Moreover, these imports are in no way responsible for the difficulties encountered by American steel-makers which are attributable to the unfavorable economic situation in the U.S.

The success of our respective restructuring endeavors rests upon a strengthening of our concerted efforts. However the U.S. Government has preferred to take a dangerous and questionable course of action. The EC Commission has already expressed this view to the U.S. Government. The Commission also intends to raise the problem at the EC Council of Ministers on November 10 so as to gain support from the Council for the action which the Commission wishes to undertake. The Commission is indeed determined to make all necessary efforts to achieve the re-establishment of a normal situation as soon as possible.

EC Faces Second Generation

Next year the European Community celebrates its 25th Anniversary and sets out on its second generation. In a recent speech in Geneva, the President of the Commission of the European Communities, M. Gaston Thorn, drew attention to some of the problems of this new generation.

"Today, political, socio-economic, technological and cultural realities are in a process of change," he said. "The European Community which is represented by a common market of 250 million consumers is tending towards compartmentalisation once more. It is giving way to the assault of foreign markets. For this reason, said Mr. Thorn, we should not make the ultimate mistake of resorting to protectionism. In spite of social and regional problems, the Community must fight to keep its markets open. Protectionism is suicidal. In this respect, "the point of no return" is never reached, he pointed out, but reminded his audience that the danger of escalation is always present in a rapidly changing world.

In this changing world, where does the Community stand confronted with its internal and external challenges? It is of primary importance that the Community should not operate a balance sheet in order to take account of the legitimate interests of one or another Member State. The Commission has indeed refused to do this. On the contrary, it is imperative for the Community to re-establish an equil-

ibrium between its means and ends while considering the interests of all Europeans —those outside as well as those inside the Community This implies for Mr Thorn a restructuring of the Community budget, which in conserving the role of the Common Agricultural Policy, aims at permitting the existence of an industrial market, adequately equipped to face the challenges of energy, science, technology and commerce. A most important objective, the President stressed, was the need to channel floating capital into productive investment activity

The European Community is, 'sui generis', a political construction. It is important therefore, to establish a balance of power between its main institutions i.e., the Council, the elected Parliament and the Commission, to solve the problems facing us today. A principle of unanimity can only slow down progress

Europe at the end of the twentieth century finds itself in a world of 154 independent nations. We must accept our responsibility towards the Third World, which at the same time corresponds to our own interests We must question the present system and be prepared to adapt it. To illustrate this Mr. Thorn drew attention to the fact that by the year 2000 the demographic weight of Africa will be greater than that of Europe. In facing those challenges Europe should give new hope to the men and women of our times.

tute for Namibia. The aid—one million ECUS to the Lusaka-based institute is being made within the framework of Lome II regional aid at the request of Zambia, Botswana and Zimbabwe.

EEC—ASEAN

In the light of co-operation agreements signed in 1980 in Kuala Lumpur, a series of talks have been held between the Community and the ASEAN countries¹

The first meetings, held in London on the 13th and 14th of October, between foreign ministers of the Member States of the Community and of the ASEAN countries, concentrated on political instability in South-East Asia. The European delegation paid tribute to the ASEAN countries for their independent and positive stance in promoting peace and security in the region

With reference to the problems in Kampuchea, Ministers pressed for the total withdrawal of Vietnamese armed forces and the establishment of a government, freely elected by the Kampuchean people, under United Nations supervision. Vietnam was urged to participate in future negotiations for a comprehensive settlement and to cooperate with United Nations proposals for an orderly departure of refugees from the area.

The ASEAN delegation expressed its appreciation for Community aid to Indochinese refugees, namely those who have fled from Vietnam, Laos and Kampuchea Over the past five years, the Community has granted over 75 million ECU in aid. The Community and its Member States are the biggest donors (187 million dollars) before the United States (160 million dollars) and Japan (86 million dollars).

It was noted that the ASEAN delegation are in need of further aid to deal with the refugee problem. International assistance must continue, particularly to Thailand, where Kampuchean refugees have sought temporary asylum

Turning to the situation in Afghanistan, both parties deplored the continuation of the Soviet military occupation The ASEAN delegation offered its support for the European Council's proposal for an international conference on Afghanistan. So far this has met with a negative response from the Soviet Union

In discussing the results of the Ottawa Summit Meeting and the prospects for Cancun, both parties stressed the importance of continuing the North-South

News Briefs

■ Emile Noel, Secretary General of the Commission of the EC, was recently presented with the Robert Schuman Gold medal—a prize awarded to distinguished Europeans in recognition for their services towards European integration.

■ The Council of ACP Ministers will be meeting in Maseru, Lesotho, on December 10, where they are likely to discuss, inter alia, sugar and the Stabex system

■ Since gaining independence at the end of September this year, Belize, a former British overseas territory, has requested accession to the Lome Convention II.

■ Edgard Pisani, EC Commissioner for development, recently received Mr Ah-tisaari, UN High Commissioner for Namibia, for talks on the EC aid to the UN insti-

Dialogue. It was agreed that protectionism must be resisted in the interest of promoting open international trade and co-operation in commodity agreements, and that such co-operation must take place within the framework of the international organizations.

In the course of further meetings, a joint press conference, specifically addressed to European business, was given by the Community and ASEAN delegations at the European Commission's headquarters in Brussels. Speaking on behalf of the Community, Mr. Haferkamp urged European business to make use of the investment opportunities which had become possible since the EEC-ASEAN Cooperation Agreements. The ASEAN countries have experienced real economic growth. EEC-ASEAN trade quadrupled between 1973 (1.8 billion

ECU) and 1980 (6.9 billion ECU), ASEAN having achieved a surplus of about one billion both in 1979 and 1980. However, European investment had remained at a low level and far behind that of Japan and the United States. The Community warned European business that it would have to adapt to this process of economic growth.

Later, in a joint statement made to the press, the ASEAN countries made specific requests for cheap private loans for industrialization. The ASEAN delegation showed particular interest in smaller European firms with special expertise. They also asked for Community participation in international agreements on tin and cocoa.

*The five states of ASEAN (Association of South East Asian Nations), namely Indonesia, Malaysia, the Philippines, Singapore and Thailand, grouped together in 1967 for the purpose of regional cooperation.



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