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EUROPEAN COMMUNITY LOOKS AT
RELATIONS WITH UNITED STATES
AT 1982 WORLD'S FAIR

Vice-President, Lorenzo Natali,
calls for working in unison to
meet challenges.

At a ceremony on the occasion of European Community Day at the 1982 World's Fair, the Vice President of the Commission of the European Communities, Mr. Lorenzo Natali, on Memorial Day made the following address at the Court of Flags of the Knoxville International Energy Exhibition:

"On the opening day of this great World Fair here in Knoxville, President Reagan commented that the countries represented here hold out the hands of friendship and co-operation. I assure all of you that the nations and institutions of the European Community share this feeling. We are here - ten of us - because we recognize the United States as a partner with shared problems and common goals. The European Community and the United States belong to the same world; we have the same ideals, we have guaranteed and will continue to guarantee prosperity and peace for millions of men and women. We recall this to mind in particular on this day as the United States remembers those who died in battle, especially those who came to Europe to help maintain those very ideals.

One of the many merits of this fair is that it proves that we can do much together to face common problems such as the energy crisis and the economic crisis which it spawned. Americans and Europeans, citizens of modern industrial democracies, must and can work together in unison to meet these serious challenges of

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our times, we must mutually overcome problems of inflation, unemployment, economic stagnation, and the protectionist temptations that result. As the world's Western leaders meet in Versailles in less than one week, they will seek to address these critical problems.

In our market economies, free trade is an economic necessity and a political imperative. It would be pure folly to believe that one can find shelter from the ills of the crisis by transferring its effects or ascribing blame to one's partners.

Many irritants afflict the U.S.-European relationship today. These irritants have been aggravated by the effects of the world recession. Discord between the United States and Western Europe is not a new phenomenon. And indeed our relations are at a low ebb. The European Community is accused constantly of protectionist agricultural policies - for example, by subsidizing exports and granting preferential access to trading partners in the Mediterranean area. In recent months, this tension has been aggravated by a heightening of rhetoric across the Atlantic, by a questioning of the motivations behind EC policies, and by relentless challenges to existing trading arrangements.

Yet, the EC remains the world's largest importer of agricultural commodities and maintains a growing agricultural trade deficit with the United States of over 7 billion dollars. Agricultural subsidies are not novel, nor are they unknown here in the United States.

And, - regarding a policy and geographical area which are close to my own heart - the EC's preferential trading arrangements with Mediterranean countries - both those that will join the Community and those that will not - sustain political objectives which the United States shares and supports. The very economic and political stability of these important developing countries on the borders of the Mediterranean are enhanced by the special arrangements the European Community has concluded with them. Instability and revolution in that region - which stretches from Morocco to Turkey - could be incalculably damaging to Western interests, including those of the United States. The United States has implicitly recognized the value of this approach, since the American administration's Caribbean basic initiative was largely inspired by the Community's Mediterranean policy.

Let us stop the aggressive attacks and useless rhetoric. This is very short sighted. Are we not sowing the seeds of doubt and of systematic mistrust between partners, who have been united in so many ways? Should we not choose a more constructive course rather than pursue an economic battle that would be dangerous for all from both an economic and political point of view?

In this light the upcoming Versailles meeting comes at an auspicious moment. Already there are signs on both sides of the Atlantic of a willingness to put aside our differences and renew the dialogue of co-operation that has characterized our alliance since its inception and has been the source of its strength.

We are living through a time when the international scene is dominated by grave tensions, even military conflicts, which cause particular pain and concern. Thus this exposition is particularly significant because it symbolizes our determination to continue with our efforts to achieve co-operation, stability, security and peace."
