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**EUROPEAN COMMUNITY INFORMATION SERVICE**

2100 M Street Northwest, Suite 707, Washington, D.C. 20037 Telephone: (202) 872-8350  
New York Office: 277 Park Avenue, New York, N.Y. 10017 Telephone: (212) 371-3804

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## ORTOLI CALLS FOR EUROPEAN INDEPENDENCE, BALANCED RELATIONS WITH U.S.

Washington, D.C -- Francois-Xavier Ortoli, President of the Commission of the European Communities, today presented the 1975 EC action program to the European Parliament in Strasbourg, France.

Following are highlights of Ortoli's speech.

### I. ASSESSMENT OF EUROPE'S PROGRESS AND ROLE OF THE COMMISSION

"That progress has been made over the last six months is a fact which must be recognized in the light of the objective results achieved. Once more there are grounds for some degree of optimism.

But let me say, clearly and unequivocally, that it is vital for Europe to aim for success of a different kind if it is to achieve the unity and independence it is seeking. On the real issues, Europe stumbles and slips downhill. We are losing our independence, we are lowering our sights, our institutions are failing in important areas."

The decision taken at the Paris summit to hold regular European councils attended by heads of state and government has created opportunities but also dangers.

We must therefore take a chance and shorten the odds. But this means that the Commission must be true to its refound political vocation.

The Commission must adapt its modus operandi to the new system in which ideas will come from the top. It must insure against the risks involved -- for risks are involved--

- By converting member states to a conviction that the real answer to the major problems facing them lies in the collective Community solutions implicit in the construction of Europe. It must make vigorous and incisive use of its power of initiative when choices which are decisive for Europe's future are being made. It must not betray its own ideals.

This awareness of our role, this profoundly political attitude, this ambition to get Europe to change gear and direction, have inspired the program I am about to present to you. It is an overall program which we believe will herald a new phase in the construction of Europe."

## II. PROGRAM FOR 1975

1. Our first objective must be to make Europe less dependent.

Europe is losing control of its future, since the number of economic, financial, and political centers of decision outside our member states and outside our community is growing apace.

Our dependence is increasing on two points.

Firstly, we have little or no control over the main factors of our economic life. This is true of energy supplies; but for a number of member states and for the community as a whole it is also true of the monetary resources needed to cover our essential requirements.

We must do all in our power to reduce this first form of dependence. This can be done in stages if necessary but there is no time to lose. If the monetary problem, which calls for complex action, is left aside it is quite clear that energy is the crux of the matter, which is why the Commission proposes to concentrate on energy. Nineteen seventy-five must be the year of the common energy policy....

We are gaining nothing by letting time slip by. There is a danger that our dependence on the outside world will harden into resignation masquerading as realism. Europe must be up and doing. Europe must act and act now. The Commission therefore proposes the following course of action:

- We must fix common targets, both global targets and targets for each type of energy, and we must do something about attaining them
- In this context, we must develop our resources by all available means.

For this reason, our second major objective -- and here I am not just thinking of energy policy -- must be to make full use of our share of this pooled sovereignty which finds its expression in a changing economic and monetary world order...

Since none of our member states is in a position to exercise any real influence when systems are overhauled and powers rebalanced, Europe, far from eroding a sovereignty which is already diminished, opens the way to sovereignty regained. Europe offers us an opportunity of exercising to the full the modicum of power allowed us in the new centers of decision. This is true of energy, monetary matters, and world trade. It holds good for international organizations and for our relations with our larger partners, notably the United States.

Perhaps I might make myself quite clear on this last point. We may be friends, we may be allies, and we may recognize that we have interests in common. But this must not blind us to reality: to the power of the United States which weighs on our relations, to the readiness to tackle problems which, contrasted with our weakness, our confusion, marks it as a world leader.

I believe that in the end we will succeed in putting our relations with the United States on a healthier, more equal footing. I believe that we can strengthen our relations with the United States if we learn to value our alliance, if we determine to act with our American friends where both have something to gain, and if we adopt the following two-fold approach:

- We must defend our own interests or the Common viewpoint which seems best to us, with the same determination, the same firmness, the same lack of complexes, and the same wholesome sincerity that the United States displays

- We must use our initiative in all important international affairs, thereby filling a gap, for we have something to say, we have solutions to offer, and it is high time that we abandoned what has too often been a reactionary approach, an approach which to my mind is evidence of political cowardice...

2. Our second objective must be to reestablish economic and social equilibrium in Europe by aiming for growth based on new foundations.

We have chosen four axes here:

- Development of complementary economic policies and strengthening of solidarity: only by complementary action and solidarity can free trade in the Community and throughout the world be maintained. A return to protectionism would be catastrophic

- Resumption of growth based on investment: from the conjunctural point of view, economic recovery must be based on investment, and not on a massive increase of overall demand. In the medium and long term, structural change will call for steady transfers of resources from consumption to investment. These changes are inevitably being imposed on us by the new economic order or by our inability in the absence of changes to solve our problems notably our export problems.
- Creation of new aids to decision and action -- a practical step towards economic and monetary union: to ensure a more reliable picture of the economic future, the Commission will shortly be proposing that the Community set up a medium-term research institute. Europe must have the financial instruments in view of the novelty, scale, and duration of the economic risks involved. The Commission is considering the principle and the structure of a European Export Bank. We started studying the possibility of extending our borrowing capacity in view of putting the possibilities of our investment drive at the disposal of the Community in order to add speed and balance to it
- A policy made for the men and women of Europe with their help: The Commission attaches great importance to the debate on participation at Community level. It will be sending the Council, this spring, a revised proposal on the statute of the European company, incorporating most of the amendments called for by this House. Side by side thus, it has begun drafting a "Green Paper" outlining current trends in industrial relations in the member states, in order to establish points of agreement on which future discussion in Europe and the member states can proceed.

3. Our third objective is to establish a new relationship with the Third World.

Europe has embarked here on a bold policy: the establishment of a new relationship with the Third World based on long-term cooperation guided by principles of fair and equal treatment....

While continuing the financial aid which is indispensable for certain countries, we must wherever possible work for cooperation based on long-term economic links, which are a better instrument of progress and solidarity than any treaty. While respecting our partner's own objectives, we should combine our technology and know-how, our markets, in certain cases our capital and our products, in particular agricultural, with our partners' resources and their desire to take advantage of the new situation for their development.

The poorest countries could be included in this cooperation scheme by a joint effort on the part of the industrialized countries, especially Europe and their partners, and the producers of raw material and energy, in a three-sided arrangement governed by rules drawn up jointly.

The Community's association policy, which began with 19 African states in the Yaounde convention and has now been extended to the whole of Africa and beyond by the Lomé convention and the agreements which are about to be signed with the Mediterranean countries, is the most complete and most successful example of this strategy. Although financial aid is one aspect, what really matters is that these agreements provide access to large markets, stabilization of income cushioning the associates against a sudden fall in world prices, systematic cooperation to accelerate the process of industrialization, and political institutions in which statesmen and governments from Europe and the developing countries can work together on an equal footing.

4. Our fourth objective must be to resume progress towards economic and monetary union.

Inflation, the energy crisis and the monetary crisis have left us without a program and without a doctrine. We therefore propose in 1975:

- To select limited but significant fields for measures which will, as in the past, carry real conviction
- To redefine ways and means of attaining the ultimate objective, and, for this purpose, to make an assessment of the results achieved, to evaluate and report on the present prospects for the union and to spell out the actions and instruments which will help in attaining our objectives...

The common energy policy and the common agricultural policy are part of the substance of the union. Our agricultural policy, in spite of the monetary difficulties, is vigorous and has maintained its unity. The stocktaking operation which we are now completing will enable us to assess both the results achieved and the improvements possible within the machinery of the treaty in accordance with the process of continuous development without which no policy is possible. The regional policy, too, reflecting the desire for equilibrium and solidarity, is an important factor in the parallel drive towards economic union and monetary union. Lastly, we must implement our plans for new instruments of action: a strengthened monetary cooperation fund, a medium-term institute, a European export bank, and promotion, support or development machinery for the energy field.

5. Our fifth objective is to prepare the way for European union.

Two factors are an important part of the process which has now begun: the presentation of the reports of Parliament and the Commission, and the mission which the heads of state or government entrusted to Mr. (Leo) Tindemans, the Prime Minister of Belgium.

The European Community was the original response, almost twenty-five years ago, to the challenge facing our peoples as a result of the obligation to overcome their rivalries and rebuild their economies in a world deeply divided by the cold war. Twenty-five years is a whole generation. Ours is a new generation, faced today by new challenges: to find reasons for life and hope in a society suffocated by its own progress, to forge new links between Europe and the countries of the Third World based on cooperation and solidarity, and finally to restore to Europe control over its own destiny."