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Report

drawn up on behalf of the Political Affairs Committee

on ~~relations~~ between the European Community and the United States of America

Rapporteur: Mr L. FELLERMAIER

PE 34.125/fin.

By letter of 17 April 1973, the Political Affairs Committee requested authorization to draw up a report on relations between the European Community and the United States of America.

On 9 May 1973 the Bureau of the European Parliament authorized the Political Affairs Committee to prepare this report.

The Committee on Economic and Monetary Affairs and the Committee on External Economic Relations were asked for their opinions.

On 17 May 1973 the Political Affairs Committee appointed Mr FELLERMAIER rapporteur. The Committee considered the draft report at its meetings of 27-28 September and 9 October. At the latter meeting it adopted the motion for a resolution unanimously with three abstentions.

The following were present:

Mr Giraud, chairman; Mr Radoux and Lord Gladwyn, vice-chairmen;
Mr Fellermaier, rapporteur; Mr Achenbach, Sir Tufton Beamish,
Mr Berthoin, Mr Dalsager, Mr McDonald, Mr Faure, Mr Harmegnies
(deputizing for Mr Behrendt), Mr Leonardi (deputizing for Mr Amendola),
Mr De La Malene, Mr Thomsen and Mr Thornley (deputizing for Mr Corona).

The explanatory statement will be given orally to the House.

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The Political Affairs Committee hereby submits to the European Parliament the following motion for a resolution :

MOTION FOR A RESOLUTION

on relations between the European Community and
the United States of America

The European Parliament,

- considering that the advancing process of unification in the European Community profoundly affects relations with the United States of America;
- conscious of the fact that the United States has repeatedly declared it to be a principle of its foreign policy to support the political and economic integration of the Europe of the Communities;
- noting that, in spite of this fundamental support, a number of problems have arisen as a result of economic, monetary policy and security policy developments in the last few years, and that an intensified and open dialogue is therefore now necessary;
- having regard to the Declaration by the Foreign Ministers of the nine Member States of the Community at their meeting in Copenhagen on 10 - 11 September 1973 on relations between the Community and the United States of America;
- having regard to the Joint Declaration of 7 May 1973 by delegations from the European Parliament and the United States Congress;
- having regard to the report by the Political Affairs Committee and the opinions of the Committee on External Economic Relations and the Committee on Economic and Monetary Affairs (Doc.188/'73);

(a) foreign policy in general

1. Is of the opinion that, through an appropriate active policy, the enlarged Community must become aware of its increased responsibility for external relations, understood in worldwide terms, and that relations with the United States of America must be seen within the context of this policy;
2. Calls for a coherent Community policy towards the United States which, while taking account of the special features of individual problems, in particular the varying degrees of urgency and the various solutions that might be found within existing organizations, is determined by an overall political approach;

3. Is of the opinion that a dialogue between the Community and the United States of America must inevitably run up against certain limitations, unless it can be widened to include other political questions, which do not yet lie within the direct sphere of responsibility of the Community institutions;
4. Calls therefore for an intensification of political cooperation between the Community's Member States and, in particular, active involvement of the Commission of the European Communities in the regular activities of the Foreign Ministers in the area of political cooperation within the Community;
5. Would consider it an advantage, in this connection, if the Community could also speak with a single voice in the sphere of security policy;

(b) economic and monetary relations

6. Is convinced that, in the field of economic relations, and particularly in regard to trade, monetary stability, cooperation in development problems and supplies of energy and raw materials, the Community and the United States have fundamental common interests which, irrespective of any possible differences, should form a basis for forward-looking solutions equally satisfactory to both sides;
7. Considers it extremely important for the United States and the Community to press on with determination with the liberalization of world trade in the present GATT negotiations through a joint effort and on the basis of negotiating mandates allowing adequate room for manoeuvre, at the same time giving the developing countries special opportunities to share in the expansion of world trade;
8. Calls for the adoption of a common attitude by the two partners towards the drafting of international agreements for world agricultural trade and of a list of rules of good conduct in trade which, amongst other things, would prevent unpleasant surprises in the supply of agricultural primary commodities;
9. Considers that an early solution to present monetary problems is extremely urgent and that short-term measures must aim at long-term reform centred on special drawing rights, and is of the opinion that in this connection the accelerated establishment of economic and monetary union would greatly increase the influence of the Community and its effectiveness in discussions;

10. Recommends, in view of the growing international demand for energy, and associated problems, a new form of cooperation between the major energy-consuming nations, covering the development of new sources of energy, avoidance of waste of energy, a policy on energy reserves and the problem of damage to the environment through the use of energy;

(c) organization of the dialogue with the United States of America

11. Is of the opinion that the dialogue with the United States must be intensified and speeded up by both sides on a footing of equality, in order to make practical progress in the foreseeable future towards solving existing problems, but that no new institutions are needed for this purpose;
12. Urges that the Community institutions, and in particular the Commission, should be put in a better position to represent the Community as a whole as part of their responsibilities towards the rest of the world, this being particularly urgent for current international negotiations;
13. Welcomes the guidelines laid down in the statement issued by the Foreign Ministers of the Community countries at their meeting in Copenhagen on 10-11 September 1973 in regard to preparations for the visit of the American President and the prospects for closer contacts with the United States, but urges that these declarations of intent, which have of necessity been very general, should be rephrased in more concrete terms in the near future;
14. Emphasizes the importance of direct parliamentary contacts in this connection, and notes with satisfaction the results of past meetings between delegations from the European Parliament and the United States Congress;
15. Hopes that these contacts will be intensified as a result of the meeting arranged for the end of October between delegations from the European Parliament and the United States Congress;
16. Instructs its President to forward this resolution to the Council and Commission of the European Communities, and to the Governments of Members States.

Opinion of the Committee on Economic and Monetary Affairs

Draftsman of the opinion: Mr Russell JOHNSTON

On 25 May 1973 the Committee on Economic and Monetary Affairs appointed Mr Johnston rapporteur for the opinion.

The committee considered the draft opinion at its meetings of 25 May, 14 June and 12 July 1973 and adopted it unanimously.

The following were present: Mr Lange, chairman; Mr Johnston, rapporteur for the opinion; Mr Artzinger, Mr Bousch, Mr Brugger, Mr Burgbacher, Mr Delmotte, Mr Federspiel, Mr Kater, Mr Krall, Mr Martens, Mr Mitterdorfer, Mr Rhys Williams, Mr Scholten, Mr Stark, Mr Thornley.

1. In the joint declaration drawn up after the meetings between a European Parliament delegation and a delegation from the Congress of the United States, one of the points stressed is the conviction that the United States and Europe share a common destiny and profound interests particularly common security problems the burden of which should be equably shared and these things form the basis of all relations between them.

The Committee shares this point of view.

In point 7 of the preamble of the final communiqué of the Conference of Heads of State or Government held in Paris in October 1972, it is stated that Europe must affirm its personality as a distinct entity while remaining faithful to its traditional friendships and striving to promote a better international equilibrium.

We believe that these principles are of vital importance for Europe and that they should be the basis of all negotiations with the United States.

2. In view of the part so far played by the European Commission in expanding trade, it ought to be given a primary role in helping to establish Europe as a distinct entity within the framework of the forthcoming trade negotiations. We believe therefore that the powers conferred on the European Commission should be such as will enable it to speak for the Community as a whole.
3. The devaluation of the dollar in the last two years has substantially strengthened the competitiveness of American exports.

The effects of the devaluation of the dollar will, of course, vary from country to country owing to the diversity of the flow of trade between the EEC Member States and the United States ; this in turn gives rise to a need for variations in the different exchange rates.

4. Easier access of European capital to the United States in the long term could contribute substantially to a readjustment of that country's balance of payments ; in this connection, attention is drawn to the fact that helping to adjust the American balance of payments in this way is better than devaluing the dollar, since it enables commercial disadvantages for Europe to be avoided and at the same time European financial initiatives in the United States to be fostered.
5. Our ultimate aim remains the liberalization of international trade. Our opinion is that we must work steadily towards the lowering of tariffs

and the elimination of all non-tariff barriers.

6. We feel that for Europe the SDR system must become a linchpin in the effective functioning of a new monetary system towards which we are moving.

We believe that the negotiations planned for next September cannot be postponed any longer pending a solution to the crisis in the monetary system. These negotiations must be pursued irrespective of progress in the solution of related problems.

7. The economic and social problems of the countries of the Third World must be given particular prominence in future contacts between Europe and the United States.

With regard to economic problems, the feeling is that preference should be given as far as possible to commercial links with these countries.

In particular we would stress :

- agreement on primary products to enable the diversification of the indigenous industries of the developing countries ;
- for fairer application of existing generalized preferences ;
- the submission of proposals on the application of preferential trade concessions.

Opinion of the Committee on External Economic Relations

Draftsman of the opinion: Mr . BOANO

On 21 May the Committee on External Economic Relations appointed Mr Boano draftsman of the opinion.

It considered the draft opinion at its meeting of 13 September 1973 and, on the same day, approved it unanimously with four abstentions.

The following were present: Mr de la Malène, chairman, Mr Boano, vice-chairman and draftsman of the opinion, Mr Thomsen, vice-chairman, Sir Tufton Beamish, Mr Brégègère, Mr Corterier, Mr Cousté, Mr Kaspereit, Mr de Koning, Mr Lange, Mr Lenihan, Mr Ligios, the Earl of Mansfield, Mr Patijn, Mr Scholten, Mr Thiry, Mr Thornley.

9. The Community cannot deploy this new and greater capacity to take international action unless it makes full use of appropriate institutional and practical instruments.

Since we are approaching the date laid down for the realization of the Economic and Monetary Union and of the European Union, it is no longer sufficient merely to assert the need for 'of acting in concert': it is high time to proceed to such action.

10. In the light of these observations, the draftsman of the Committee on External Economic Relations proposes to the Political Affairs Committee the insertion of the following paragraphs:

'The European Parliament,

- is convinced that between the United States and Europe there exists a community of interests and a common destiny embracing the whole of their relations, on a basis of complete autonomy and equality, and furnishing a basis for wide-ranging political discussions in various appropriate forum concerning trade, monetary stability, development cooperation, and supplies of primary commodities and energy;
- recalls the Declaration of the Paris Summit Conference (paragraph 12) on the subject of the progressive liberalization of international trade;
- urgently draws the attention of the Governments of Member States of the Community to the undertaking, ratified by the Paris Summit, 'to act together to cope with the growing world responsibilities incumbent on Europe', stressing that the Community can only assume its rightful role and responsibility at world level if it applies the appropriate institutional and practical instruments and speeds up the process of union and integration.'