

**European
community**

PRESS RELEASE

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

No. 28/1974

FOR IMMEDIATE RELEASE

December 12, 1974

EUROPEAN COMMUNITY SUMMIT ENHANCES SOLIDARITY

Washington, D.C.--December 12, 1974. European Community member's heads of government will meet three times a year. As of January 1, 1975, the EC will also have a Regional Development Fund. These are among the most important initiatives taken by the "Nine" at their "Summit" meeting in Paris, December 9-10, 1974. On energy and on other acute problems, the heads of government of the Nine referred to other meetings that will soon occur, within the EC and between European countries and the United States.

Energy

The Nine reaffirmed the urgent need for a common energy policy. The communique said that German Chancellor Helmut Schmidt, who was recently in Washington, had reported on the "possibilities for cooperation between oil exporting and oil importing countries." The Communique stressed that the "Nine" attach "very great importance to the forthcoming meeting between the President of the United States and the President of the French Republic" (in Martinique on December 14).

France is the only EC country which is not a member of the Energy Consumers Agency within the Organization for Economic Cooperation and Development. Finally, the communique mentioned the meeting of EC energy ministers, scheduled for December 17.

The EC Commission, represented at the Summit by its President Francois-Xavier Ortoli, thinks that it is time, for the Community, to set up the necessary instruments for a dialogue among oil consuming countries and with oil producing countries.

Convergence of Economic Policies

Another topic that Giscard d'Estaing will discuss with President Ford was a major point on the Paris Summit agenda: the common struggle against inflation and the action "aimed both at preventing a general economic recession and restoring stability." The Nine noted "with satisfaction" the account given by Helmut Schmidt of his talks with President Ford and desire that his meeting with the President Giscard d'Estaing "should, on the behalf of the Community, stress the importance of the convergence of economic policies." One of the goals of these policies, to maintain a high level of employment, is clearly stated in the communique.

The Commission, commenting on the results of the Summit, expressed its satisfaction that member governments had recognized both the dangers of inflation and of recession. Indeed, the communique praised efforts recently made by surplus countries, like Germany and the Netherlands, to moderately stimulate domestic demand, thus contributing to the recovery of deficit countries.

Regional Policy

Another sign of European solidarity was the Summit decision to set up, as of January 1, 1975, a Regional Development Fund of 1.3 billion units of account (UA), for a trial period of three years, to help EC depressed areas. (One UA equals \$1.20635 at current rates.) During this time the fund's operations will be concentrated in three countries. Italy (40 per cent of the fund's resources), the United Kingdom (28 per cent), and Ireland (6 per cent), and an additional UA 6 million coming from the reduction in the share of the other countries, except Italy). The Commission was particularly satisfied with this decision, since it has worked more than a year to get the regional policy started.

Britain's Membership in the Community

Another main point on the agenda was the "renegotiation" of the terms of the United Kingdom's membership in the Community. The heads of government asked the Council and the Commission to "set up as soon as possible a correcting mechanism" to "prevent the possible development of situations unacceptable for a member state and incompatible with the smooth working of the Community." This means that the share of the EC budget contributed by Britain might be reconsidered as a result of its economic troubles.

Institutions: Veto, European Parliament Election and European Political Union

Finally, the Nine made several important decisions about the Community's institutions to improve their efficiency and to boost their evolution towards a European political union. Thus, the heads of government will meet again, with the foreign affairs ministers and separately, as they did in Paris December 9-10, at least three times a year and whenever necessary.

The summit also considered it "necessary to renounce the practice which consists of making agreement on all questions conditional on the unanimous consent of the member states." The general rule in the EC for Council decisions is majority vote, but the practice of seeking unanimity has in the past given a veto right to any member country.

Progress was also made toward the direct election of the European Parliament, since it has been decided that it will take place "in 1978 or after." Britain and Denmark, in dissenting statements from the communique, said they could not commit themselves yet. But Britain stressed that it "does not wish to prevent the governments of the other member countries from making progress with the election of the European assembly by universal suffrage."

The Nine also agreed that their cooperation should be extended to new areas "outside the scope of the Treaty," and "on the advantage of making use of the provisions of the Treaty of Rome whereby the powers of implementation and management arising out of Community rules may be conferred on the Commission."

The Summit also stressed that the "European union," which should be attained by 1980, should gain impetus. Belgian Premier Leo Tindemans was asked to report, before the end of 1975, on the form this union should take.

Finally, to bring home the reality of the Community to the European citizens, the heads of government asked for a report, by 1976, on the possibilities for a passport union and a uniform passport within the Community.