

European Community NEWS

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ENERGY CONFERENCE REACHES "UNANIMITY" WITH ONE EXCEPTION"

The 13-nation Washington Energy Conference ended today with agreement on a "substantial increase of international cooperation in all fields," but France withheld assent to the final communique's three major clauses. The meeting, held at the State Department, grouped the United States, Canada, Japan, Norway, and the nine European Community countries.

The communique noted that energy shortages existed before the present crisis, but said inflated oil prices threatened the world balance of payments structure, incomes, employment and development in poorer countries -- all in a way that could not be dealt with by monetary or trade measures alone.

France rejected a clause calling for concerted national policies, restraint on energy demands, and a system of oil allocation in times of emergency or severe shortage.

France also dissociated itself from a group of "monetary" clauses calling for avoidance of competitive devaluations and "disruptive actions in external borrowing," an apparent reference to the French Government's massive Eurobond issue this month.

The clauses also called for new short and long-term "market credit facilities."

France similarly rejected the communique's principal clause calling for a conference of consumer and producer countries, possibly preceded by a further meeting of consumer nations. Questioned, Jobert declined to commit France to a refusal to attend any conference not including producer countries but said Paris favored using the format of the Organization of Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), or the UN because these were "not exclusive clubs."

The French minister in a heated session told reporters that France's opposition "was to be expected, considering the conditions and timing of this conference."

US Secretary of State Henry A. Kissinger told a news conference that "sometimes there are disagreements not because people do not understand each other but because they understand each other only too well." Asked about the effect of French opposition, he said: "The impact of France on the conference was reflected in the conference's vote which was unanimous with one exception." But the United States was "not in confrontation with France."

**SCHEEL, ORTOLI
MINIMIZE DIFFERENCES**

German Foreign Minister Walter Scheel told a Washington news conference today that failure to reach unanimity on all points at the energy meeting was not surprising as the European Community did not yet have common foreign or energy policies. Scheel, speaking as acting President of the EC Council of Ministers, called the energy meeting a first step toward solution of a world problem. EC Commission President Francois-Xavier Ortoli said the energy crisis was a challenge to the Community to "roll up our sleeves and get to work to refurbish and restore the idea of unity."

**UPCOMING VISIT TO
JAPAN BY ORTOLI**

Francois-Xavier Ortoli, President of the Commission of the European Communities will make an official visit to Japan February 18-23. Ortoli's visit will include meetings with Japanese Prime Minister Kakuei Tanaka; Japanese ministers of foreign affairs, finance, international commerce and industry; EC Member State ambassadors to Japan, and representatives to the Japanese Federation of Economic Organizations (KEIDAREN). Ortoli will also be received by Japan's Emperor Hirohito.

**THOMSON POINTS TO
REGIONAL POLICY AS A
WAY OUT OF EC CRISIS**

If the EC Member States are genuinely seeking a way out of the European Community's deadlock, they can find it in regional policy, George Thomson told representatives of European border regions on February 8. Thomson, Commissioner responsible for regional matters, addressed the Institute for Regional Cooperation in Intra-Community Border Regions at Otzenhausen, Germany. The Commissioner said establishment of the Commission's proposed Regional Development Fund could provide the Community with the stimulus of a success it badly needs. The

Council of Ministers will resume its discussion of the Fund at its February 18 meeting in Brussels.

Thomson welcomed the upcoming May EC "Summit" meeting in Bonn, Germany, as providing a good opportunity for the EC leaders to prove that the Community is a workable instrument for uniting Europe.

**KRAG/GUNDELACH
ADDRESS ATLANTIC
ALLIANCE CONFERENCE**

Finn Olav Gundelach, EC Commissioner responsible for internal market and customs matters, and Jens Otto Krag, Chief of the Delegation of the EC Commission to the United States, will speak at a Washington conference for US corporation executives on March 19. The March 19-20 conference, called "The Corporate Stake in Meeting the Crisis in the Atlantic Alliance," is sponsored by the Atlantic Council, the Johns Hopkins School of Advanced International Studies, and the International Management and Development Institute. Other conference speakers include Secretary of State Henry A. Kissinger, Secretary of Defense James R. Schlesinger, Under Secretary of the Treasury for Monetary Affairs Paul A. Volcker, Ambassador of Italy Egidio Ortona, Ambassador of Belgium Walter Loridan, and Berndt Von Stade, Ambassador of Germany.

**EC WHEAT DENATURING
PREMIUM ABOLISHED**

The denaturing premium for common wheat in the European Community was abolished on February 10, 1974, by the EC Commission to ease the supply difficulty and high prices on both the world and EC markets. By discouraging denaturing, the Commission expects to free wheat for uses other than animal feed. The Commission had twice reduced the premium since the beginning of the 1973/4 marketing year (August): from 16 to 12 units of account (UA) per metric ton, and from UA 12 to UA 7 per metric ton. (One UA equals one 1970 dollar.)

COUNCIL MOVES TO IMPROVE DECISION- MAKING PROCEDURE

The Council of Ministers adopted a second series of measures to improve its decision-making procedures on February 5. The measures call on the Council President to increase his role as a coordinator, meet periodically with the EC Commission President, and submit a six-monthly work program and timetable to the Council. Seven months before beginning a term of the Council presidency, the Member State to hold the office is to publish a calendar of prospective Council meetings. The Council also decided that related items will be grouped on meeting agenda so they can be dealt with in reference to each other. After an agenda item has been discussed, a working party will summarize Council conclusions, while the meeting is in progress, to resolve related problems and to avoid lengthy discussions on how the measure in question is to be carried out.

ESC CALLS FOR ACTION TO PROTECT EC UNITY

Members of the European Community's Economic and Social Committee will urge their respective governments and other authorities to take special action to safeguard the cohesion of the Common Market. The Committee represents the views of labor, management, and consumers in the Community's decision-making process.

A statement on the Committee's decision was adopted during its January 30-31 plenary session in Brussels and sent to the Presidents of the Commission, the Council of Ministers, and the European Parliament. The Committee called for a speedy arrival at the goals set at the EC "Summit" meetings in Paris (1972) and Copenhagen (1973) and for more powerful and democratically balanced Community institutions. The Committee also stressed that no Member State could solve its economic, monetary, or social problems by isolating itself from the rest of the Community.

FOOD AID ASKED FOR MADAGASCAR

A proposal to send 10,000 tons of cereals in food aid to Madagascar was sent to the Council of Ministers by the EC Commission on February 6. Madagascar, once an exporter of rice, now has a shortage -- due to bad weather. Additionally, the high prices on the world market limit Madagascar's ability to import. The aid, costing about 2.86 million units of account (UA), would consist of 6,000 tons of rice and 4,000 tons of soft wheat. (One UA equals one 1970 dollar.) The European Community would also pay shipping costs to the port of debarkation.

EC INVITES GRENADA TO ASSOCIATION TALKS

The newly independent Caribbean State of Granada will be invited to take part in the current negotiations between the European Community and the Associated and "Associable" States to replace the Yaoundé Convention. Grenada gained its independence from Britain on February 7, 1974. The Council of Ministers decided to extend the invitation during its February 5 meeting in Brussels.

DUTCH RECORD CARTEL REVISES AGREEMENT

A Dutch phonograph record cartel has removed from its agreements clauses infringing EC competition rules after a complaint by the EC Commission, it was announced in Brussels on February 2. The Commission found that the agreements limited retailers' freedom to buy and sell in the Dutch market and suppliers' opportunities to give discounts.

Nederlandse Vereniging Voor Grammofoonplaten Importeurs (NVGI), which controls 90 per cent of the Dutch record market, has agreements with 1600 Dutch retailers. Its members also include the main Dutch record manufacturers and importers of every worldwide brand.

EC MUST NOT STOP AT RHETORIC TO RESTORE UNITY -- LARDINOIS

The European Community must go beyond rhetoric, communiques, and promises, start restoring European unity, and act to halt the deadly process of European disintegration, Petrus J. Lardinois said in a speech in Brussels February 8. Lardinois, EC Commissioner responsible for agriculture, addressed a conference sponsored by the General Committee for Agricultural Cooperation in the European Community.

Lardinois warned that although the common agricultural policy (CAP) has weathered the recent political storms, he foresaw serious consequences for CAP unless action is taken to end the Community's current crisis. CAP will not be able to sustain European agricultural integration indefinitely without progressive integration in the other EC areas, he said.

The Commissioner defended the Commission's cautious approach to the milk industry, which he said absorbs about half of the EC farm fund's support money. Recognizing that CAP will not benefit from a policy of fostering surpluses, Lardinois suggested that

the Community cannot ignore its responsibility for European dairy farmers' well-being while structural adjustments are being made.

Lardinois announced that the Commission would soon introduce policies for stimulating forestry and structurally improving the agricultural market. He also declared his support for setting up a European agricultural cooperative and for reinforcing contacts between the Commission and European agricultural organizations.

TOWARD MORE DIRECT TRANSPORT ROUTES

European Parliamentarian Yvon Bourges asked the Commission, in a written question, if it was using its influence with Europe's public transport companies to create more direct routes between European cities. Pointing to the recent improvement in the Air France Service between London, Brussels, Strasbourg, and Rome, the Commission on February 7 replied that it has begun discussions about air service routes and planned a meeting with representatives of the EC Member States' railroads in the near future.

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