

# European Communities

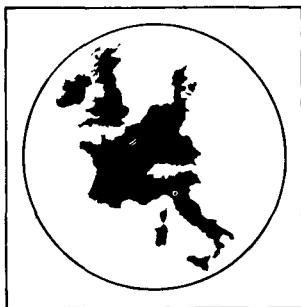
**Delegation of the Commission  
of the European Communities  
to the United Nations.**

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Information Service

## Newsletter

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### CIEC: Opening Statement by Roy Jenkins

At the final ministerial meeting of the Conference on International Economic Cooperation in Paris the European Community was represented by Dr. David Owen, currently President of the Council, and by Roy Jenkins, President of the Commission. Mr. Jenkins gave the following speech to the Conference:

"As President of the Commission of the European Communities I would like to express my pleasure in participating in this Conference and stress the great importance I attach to it. This meeting marks the end of an important stage in our dialogue. But the process of dialogue must go on elsewhere and will go on in the interest of both sides. We are all involved in moving towards a more just and equitable economic order. We can no longer tolerate the enormous gap between the rich and the poor in the world community. The economic developments of recent years have underlined this.

Dr. Owen has covered on behalf of the European Community a number of specific issues over which I shall not go again. He has also spoken of the interdependence of the countries represented here today. I much agree with what he has said and indeed would reinforce his remarks by adding that the well-being of all developed and developing nations is bound together. Economic growth and prosperity in developing countries is of course essential if their peoples are to enjoy a better life. But there is a growing realisation that on the one hand growth in non-industrial countries is also necessary for the economic health of industrial countries and thus for the world economy as a whole; and that equally the economic stability of industrial countries is vital if improvement in the economies of developing countries is to be maintained. It follows that we now have the strongest common interest in working together. If we are to do so successfully, this will require an effort by everyone round this table.

To my mind the work which has been taking place in Paris over many months and which has culminated in this Conference has contributed a great deal to the general perception of these truths. Moreover, the CIEC has in fact already produced a significant result in that problems of development and cooperation have become an item on the agenda of virtually every major international meeting. I would only add that in its role as the most important economic partner of the developing world the Community is particularly aware of the meaning of interdependence. The Community is the largest customer for the exports of the developing countries and the largest supplier of their imports. It is therefore natural for us to appreciate the need for solidarity between developing and developed and between producer and consumer countries.

I should like to emphasise that we as a Community have attached the highest possible importance to our policy towards the developing world. Two clear examples of this have been the Lomé Convention between the Community and its partners in Africa, in the Caribbean and in the Pacific; and the regional and bilateral arrangements which the Community has made in the other continents of the world. I would also remind you of the pioneering role adopted by the Community in introducing as early as 1971 the Generalised System of Tariff Preferences which has been constantly improved since then. We intend to continue our efforts in this field, and we have already declared that we shall continue the operation of the system into the 1980's.

In the framework of this conference the Institution of which I am President has, I believe, made major contributions. We shall continue with great commitment to play our part as a Community institution in the work which lies ahead of us.

I believe that the discussions which have so far taken place have now led us to the point where a number of important decisions can be taken as a prelude to the further discussions in numerous fields which we will subsequently have to continue elsewhere. If we can imbue our work with a combination of sincerity and determination our achievements should be commensurate with the task-crucial to the whole future of the world-which confronts us and the efforts which have already been made.

### **Outcome of CIEC: Press Conference by Jenkins and Cheysson**

Although it certainly did not fully satisfy any of the participants, the result of the Conference had been better than many general impressions and it would be a great set-back if there were any tendency to go back on agreements reached at the Conference. These were two of the main points made by President Jenkins and M. Cheysson, Commission Member responsible for Development, at a Press Conference following the closing ministerial session of the CIEC.

Mr. Jenkins underlined that it had been possible to take major steps forward in the relationship between the industrialised and developing worlds. The Community in

general and the Commission in particular had been able to play an active and significant part. Without the European Community there would have been no dialogue and no results. Among the achievements of the Conference the President singled out:

- A Common Fund, the principle of which had now been agreed;
- Official Development Assistance, where there had been a significant advance in the commitments given by industrial countries, notably the USA and Japan.
- The Special Action Programme, where the developed countries had committed themselves to 1 billion \$.
- Monetary issues, where there was an agreement on increased flows of capital.

In general Mr. Jenkins thought that the CIEC had involved considerable risks, but that on the whole these had been overcome, the atmosphere of the Conference had been good and advances had been made which could not have been achieved without the Conference.

Mr Cheysson echoed the President's assessment and stressed the part played by the representatives of the EC (Dr Owen, President Jenkins and himself) in the three working groups. The reaching of agreement in establishing a Common Fund was particularly important in unblocking commodity negotiations. This had been regarded by the developing countries as the most important issue in the field of raw materials.

In answer to questions the following points were made:

\*Follow-up. Mr Jenkins said it would be a great set-back if there were any tendency to go back on agreements reached in the Conference. One should not think in terms of concessions to the developing

world or of the dialogue as a charitable exercise. It was a recognition of interdependence since the economic development of the Third World was of great importance to the economies of the industrial countries. To follow up the Conference one should make a reality of the points of agreement, in all appropriate fora, and then build on that basis.

Mr Cheysson confirmed that the CIEC was definitely closed, but that it will continue to influence the future discussions between the developed and developing worlds wherever they take place. The CIEC had produced insufficient results for both sides, but without it, it was unlikely that such attention would have been paid both by governments and public opinion in all countries of the world to the importance of economic interdependence.

\*Energy. Mr. Cheysson said that the industrial countries maintained their belief in the necessity of a continuing dialogue on energy. There were fundamental problems which needed consideration by all countries in the world, including the East Europeans. Taking into account the actual but also the long term balance between energy producers and consumers, satisfactory solutions could only be found on a world-wide level. Therefore, it would not be a valid alternative to look now for regional solutions, for example within the Euro-Arab dialogue, since CIEC had not come to a conclusion in this field.

\*Stabex. Mr Cheysson also recalled that one of the major contributions of the EC to the CIEC was the proposal for a study of a stabilisation scheme for raw material export earnings. Unfortunately, no agreement could be reached

at the Conference on this.  
\*Priorities. The President said that the urgent priority was to help the poorest countries and those most in need of aid.

### **Haferkamp in India**

Following his recent visit to India and Japan-his first visit outside Europe as Vice-President of the Commission with responsibility for external relations - Mr. Haferkamp held a Press Conference in Brussels, the main points of which were:

This was the first contact between the Commission and the Indian government returned at the recent elections. Mr. Haferkamp said he was impressed by the quality of the members of the government and by its action programme, called the people's programme, the principle aim of which is to concentrate resources on the rural economy and local craft industries. It is now necessary to see how the European Community can help India advance in this direction.

On the North/South dialogue both sides recognised the need for the Conference on International Economic Cooperation to end successfully. Mr. Haferkamp explained the importance of the concrete proposals made by the European Community, even though these had not entirely matched the wishes of the developing countries. He asked his Indian hosts to regard the ministerial meeting at the end of May not as the end of the North/South dialogue but as a first step which will be followed by others, provided that the

economic situation of the industrialised countries improves. If their economies improve they could do more for the developing countries; this would not happen if they suffered the same difficulties as in 1973-74.

Regarding bilateral relations, both sides agreed to look together for solutions to the difficulties in the textile sector. Mr. Haferkamp insisted that the problems of unemployment in the European Community be taken into account in searching for an ordered development of trade. He also said that there had to be a better definition of hand-made products.

### **Mr. Jaime Moncaya, Permanent Secretary of Sela, Visits Commission**

At the Commission's invitation, Mr. Jaime Moncaya, Permanent Secretary of SELA (Sistema Economica di Latina America) on May 27, paid an official visit to Mr. Haferkamp, Vice President of the Commission for External Relations and Mr. Cheysson, Member of the Commission responsible for development policy.

This is the first official contact between the Permanent Secretariat of SELA and the Commission, for the purpose of exploring the possibilities of practical cooperation in the work programme of SELA. New forms of cooperation will also be examined between the EC and SELA in its capacity as a coordinating organism, grouping together all the Latin American countries.

Mr. Moncaya, accompanied by Mr. Maldona, Director of Programmes and Projects for SELA, also participated in a working meeting with the Commission's services.

Further meetings will be held to examine the possibilities of EC cooperation in the first regional projects elaborated by SELA in work programme, particularly in the food and agricultural sectors, fertilizers and craft industries.

In order to improve the overall dialogue between the EC and Latin America future contacts will also be directed towards defining concrete proposals which the two sides can submit to their respective Councils.

In this respect, the Commission emphasised that one of the guiding principles of its cooperation policy with non-associated developing countries was support for regional intergration efforts.

### **Jenkins at the London Summit**

The European Community was represented at the Downing Street Summit by the British Prime Minister (the UK currently holds the Presidency of the Council) and by Mr. Roy Jenkins, President of the Commission. This is the first time that the Community as such played any part at a Western Summit meeting.

Following the summit, on May 11, Mr. Jenkins made a statement to the European Parliament in the course of which he declared:

"I particularly welcome the progress made in our approach towards relations

with the developing world. The participants agreed to do all in their power to achieve the successful conclusion of the Conference on International Economic Cooperation which culminates at the end of this month. They pledged themselves to increase the flow of aid and other real resources, to facilitate the access of non-industrial countries to sources of international finance, to support such lending institutions as the World Bank and increase its lending capacity, and to secure productive results from negotiations about the stabilisation of commodity prices and the creation of a common fund for individual buffer stock agreements. I lay particular emphasis on the agreement to consider the problems of the stabilisation of export earnings, a point to which as you know, the Community and its members attach particular importance, based in part upon the success of our own schemes under the Lomé Convention. Commodity prices and export earnings must be seen as two sides of the same coin. The weight given to the importance of

creating more security for private investment to foster world economic progress is also welcome.

Last under this heading I draw attention to the appeal to the Comecon countries to join us in increasing the flow of aid and other real resources to the non-industrial world."

### **Milk Powder and Butteroil Food Aid for 1977**

The Commission has sent to the Council its proposals for food aid in milk products for 1977. This follows the proposals already adopted in February for aid in cereals.

The total amount of the proposed aid is:

- 45,000 tonnes of butteroil; value \$52 million
- 150,000 tonnes of milk powder; value \$61 million

The Commission proposes to distribute 19,900 tonnes of butteroil and 43,310 tonnes of

milk powder in direct aid to developing countries. Almost all this aid would go to the poorest developing countries (those whose GNP per head is less than \$300) or those facing emergency situations.

A further 22,000 tonnes of butteroil and 41,000 tonnes of milk powder are scheduled for indirect aid, to be distributed by international organisations (World Food Programme, Red Cross, Unicef etc.)

The remainder will be reserved for use in particular emergencies.

Requests for powdered milk have reached the European Community from 42 countries for a total of 190,000 tonnes, while 41 countries have asked for 159,000 tonnes of butteroil.

Even by concentrating on the neediest countries, the means available only allow, on average, 20 to 50% of the needs to be met; the more so because the European Community is practically the only supplier of powdered milk aid.

The criteria used in distributing the aid are: import needs, income per head and the balance of payments situation.

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