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> BACKGROUND NOTE No. 3/1974

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PRESIDENT ORTOLI ATTACKS EUROPE'S LOSS OF "INDEPENDENCE"

*Washington, D.C. January 10 --* EC Commission President Francois-Xavier Ortoli told a press conference in Brussels on January 10 that Europe's independence had diminished in 1974. He called for a spirited new drive toward economic and political union in the nine Common Market countries.

Ortoli said: "The most notable major point about 1974 was the diminishing of Europe's independence and its future possibilities of independence. The main cause of this was the shattering of a world economic order dominated for three decades by the West -- a shattering brought about by the heightened consciousness of oilproducing countries, perhaps to be followed by a similar attitude in countries producing other raw materials."

Ortoli said Europe itself was to blame, however, for the "failure of attempts to establish a US-Europe relationship based on less inequality."

The President noted that because the United States was a major producer of energy and raw materials, its world role could be objectively seen as more dominant than in the past. This had led America, "faced as it is with a very grave situation, to want to exercise its influence to the utmost. This is not a reproach, only a

statement of fact."

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The Common Market official added that "in the face of all this, our attempts to speak with a single voice in key matters -- notably energy -- have failed contemptibly. Our inability to unite, our absence of initiative and our lack of courage have transformed us from modest partners into mere spectators. Where major decisions on peace and security, economy or currency are taken, Europe's influence is nil, weak or insufficient."

Ortoli also scored "a degree of failure" in the workings of the European Community's institutions. The December, 1974 Paris summit meeting had made some progress, but had failed to endow the Community with "an effective decisionmaking organism, a real authority, an integrated policy."

The President said that in 1973, the first year of his presidency, the Commission had busied itself with the absorption of three new member states, Britain, Denmark and Ireland. The second had been concerned with preventing the Community from falling apart. In future, the Commission -- a policy-proposing and policy-executing body--should assume a more "political" role.

Ortoli called for urgent Commission action in three fields:

• reducing Europe's dependence as much as possible on outside energy sources

• solving the economic crisis

• development of the Third World countries, through a "constructive and lasting dialogue" with Europe.

Other priorities should go to the solving of the question of Britain's budgetary contribution to the EC, and the fixing of the details of the EC common agricultural policy for 1975.

Ortoli said that attempts to build an economic and monetary union in Europe "in phases" had been a "failure" and that a more direct method was needed. Also needed was a drive, in cooperation with the European Parliament in Strasbourg, to form a European political union, in which the Parliament would be elected by universal suffrage and have increased powers.

Corrigendum: The Background Note entitled "Ireland Holds Council Presidency For First Time," issued January 7, 1974, was erroneously numbered 1/1975 instead of 2/1975.

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