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Article — Digitized Version

US-European community relations

Intereconomics

Suggested Citation: Greenwald, Joseph A. (1974) : US-European community relations, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 09, Iss. 5, pp. 142-144, <https://doi.org/10.1007/BF02927289>

This Version is available at:

<https://hdl.handle.net/10419/139018>

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ARTICLES

Atlantic Community

US-European Community Relations

by Joseph A. Greenwald, Brussels *

On the economic side it has been possible generally to maintain American-European cooperation, on which world stability and progress depend, but political cooperation has been less rapid. Therefore the time seems ripe for a re-examination of the principles of the Atlantic Community.

This year will probably see a continuation of the process of clarification in relations between the United States and the European Community begun a year ago when Dr Kissinger, then President Nixon's National Security Advisor, invited European governments to join the United States in a new declaration of Atlantic principles.

Changed International Conditions

Dr Kissinger's April 23, 1973, address was made after a number of consultations between American and European leaders had demonstrated that there was a mutual desire to take account of the considerable changes in world economic, political and security conditions since the postwar period began a generation before. Western Europe and Japan had fully recovered from their positions of dependency on American power and were capable of accepting greater responsibilities. The European Community had grown from a group of six nations practicing a common agricultural policy and surrounded by a common external tariff to a broader group of nine pledged to union by 1980. The Soviet Union, meanwhile, was approaching the level of military power of the United States; and both of these superpowers had taken steps to improve relations between them in recognition of their responsibilities to maintain world peace in the age of nuclear weapons.

In Western Europe doubts had been expressed about the effect of US-USSR agreements on the fundament of postwar American foreign policy, the Atlantic Alliance. At home, in the United States, the Administration was experiencing difficulty in obtaining understanding and support for America's carrying an outside share of the Atlantic obligations at a time when influential elements in the Congress and among the American public could point to European (and Japanese) restrictions against American exports and to the reluctance of some European nations to assume a

greater share of the defense burden. On both sides of the Atlantic the time seemed ripe for a re-examination of the principles of the Atlantic Community and a new dedication to fruitful Euro-American collaboration in the post-postwar years.

Essential Trans-Atlantic Dialogue

It was generally assumed in the United States that the squabbling that had recently characterized the trans-Atlantic dialogue was a temporary phenomenon, that statesmen and private citizens on both sides shared common purposes in a common civilization. Indeed, in early 1973, in the economic area, there was evidence that this was so. Monetary reform seemed to be moving along after the end-1971 Smithsonian Agreement and the second devaluation of the dollar in February 1973. The European Community, Japan, and the United States were pledged to a new round of trade liberalization in the framework of the GATT. After the accession of the United Kingdom to the European Community, new Community agreements were scheduled to be negotiated with the African, Caribbean, and Asian countries already associated or desirous of being associated with the enlarged Community; and it appeared that the Europeans would no longer insist on the "reverse preferences" in commercial relations to which the United States objected. Meanwhile, on the American side, the new Trade Reform Act legislation submitted to Congress by President Nixon contained a provision for generalized trade preferences for developing countries, emulating and expanding on an action taken earlier by the EC.

As 1973 progressed several economic issues occupied the attention of American and European officials; but most of these developments served to illustrate that good will was present in the con-

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cerned capitals and the disputes could be contained. Consultation among officials was frequent and effective and took place on many levels. Candid communication led to a quick resolution of the soybean embargo introduced temporarily by the United States at a moment of extraordinarily severe shortage of protein sources. Cooperation among the European Community states and between them and American authorities helped alleviate the shortage of scrap iron supplies to Italy. The European Commissioner for Agriculture acknowledged that an equitable outcome of the Multilateral Trade Negotiations in GATT would have to include acceptable provisions for trade in farm goods, while American officials said they would consider European ideas for commodity agreements and pointed to the possibility of increasing access of European dairy products to the American market in exchange for concessions of equal value for American farm exports. In a broad sense, the European Community's overview paper for the GATT talks, issued at the end of June 1973, and the approach adopted by American officials had much in common. The statement of objectives for the GATT round, issued in Tokyo in mid-September, was agreed upon in minimal time and with considerable harmony.

Problematic GATT-Negotiations

At the time of writing, there is one economic issue which could be a major source of trouble between the US and the Community unless there is a satisfactory settlement. This is the GATT Article XXIV: 6 case. After the three new members of the European Community joined the six and began to adjust their tariff schedules to the common Community rates, the customs duty bindings the three countries had previously agreed to maintain under the GATT were broken. The United States has been negotiating with the Community since early 1973 for compensation under the GATT rules, and we hope that these negotiations can be brought to a speedy and successful conclusion. Failure to settle this matter on a reasonable basis would, for example, adversely affect prospects for the multilateral trade negotiations; a successful outcome would, on the other hand, improve their prospects.

If on the economic side we have been able generally to keep up the momentum toward European-American cooperation, on which world stability and progress depend, political cooperation has been less rapid. Some of our European friends have been suspicious of American motives. The frustrations of the individual European governments in attempting to advance the process of European integration have also frustrated the leaders of the American Government, as they

seek to engage in consultation with an elusive Europe still very much in uncertain gestation.

The process of European integration moves at the pace of the slowest member state. Interests among the nine sovereign governments are often divergent and difficult to reconcile. Once agreed positions are reached, after much travail, it is difficult to modify them, for that may mean re-examining the whole compromise which has produced the common European position. Negotiation, however, requires modification of original positions. When officials of United States and other governments deal with Community representatives, they often find that they have more authority to be flexible, to negotiate, than the Europeans have. This condition is not necessarily a measure of good will or diplomatic skill. It is a structural problem inherent in the incompleteness of European integration.

Since the authority of Europe still rests far more with the individual states than with the European Community itself, it also happens that a majority of the Nine inform the United States that their views on a current issue go beyond the minimal position adopted jointly by the Community. If, then, the United States seeks to establish a consensus around the more advanced position, it may find that the "minimalists" accuse Washington of seeking to split the Community and set back the construction of Europe.

In such circumstances Europeans have counseled that Americans be patient while the Europeans sort things out among themselves. Unfortunately, as European leaders acknowledge, some problems are urgent. Europeans can afford even less than Americans to wait in trying to solve them. They approach them individually and, thereby lose the advantages that would be inherent in a unified and supple position.

In searching for solutions to the energy problem the United States has made it clear that it would welcome European initiatives. Individual European states are making significant contributions to the work of the Energy Coordinating Group. We would have welcomed participation in this work by European Community representatives. We have, of course, left the nature of European representation to the Europeans for decision. We will accommodate ourselves to their choice.

The spring of 1974 finds Europe very much in flux. The outcome of the long discussions on the European Regional Fund and the next phase of Economic and Monetary Union cannot be foreseen. Agreement on prices for commodities covered by the Common Agricultural Policy was accompanied by a number of derogations and exceptions. The British Government has requested

a re-examination of the position of the United Kingdom in the European Community and of some of the practices which have been observed in European Community institutions. President Pompidou's untimely death has added another element of uncertainty in the Community, followed by a pause while France prepares to hold Presidential elections.

Hopes for Common Realistic Basis

In the United States President Nixon's administration is hopeful of being able to meet the concerns of the Senators and Congressmen who have questioned some of the provisions of the Trade Reform Act. If these hopes are realized, the legislation may be passed by summer; and the intensity of the "Tokyo Round" of GATT negotiations would increase.

In the broader framework of US-European political relations we await the response of the Community to our request for a more adequate mechanism of consultations. We have informed the Community and its member governments that we are not interested in a United States-European Community declaration devoid of substance and

would, in any case, appreciate having further European ideas on how to solve the problems that became evident during the attempts to draft the declaration.

The citizens of Europe and those of the United States are intelligent, ingenious and reasonable. They have much in common. Their differences do not concern their basic aspirations. The role of governments on both sides of the Atlantic should be to emphasize what unites us. To attempt to define European unity as a function of separation from the Atlantic system can only weaken our mutual ties and ultimately, the Alliance and the security it provides.

The United States Government will continue to support in 1974 the enterprise it has assisted in all the postwar years — the construction of an integrated Europe with intimate Atlantic relationships. That enterprise has had the enthusiastic collaboration of distinguished Europeans in years past. Many are on the scene today. We are confident that the present moment of reflection will be followed by resumed forward motion on a realistic basis in Europe and in trans-Atlantic relations.

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