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A Summit of Moderation

The summit conference of the EC's heads of government late in 1972 gave reasons for hoping that the West European countries would draw even closer together giving Europe an international importance to be taken seriously again. The leading troika of that time — Brandt, Heath and Pompidou — revelled in high-flying ideas on future prospects: subjects discussed were the extension of the EEC-Treaty also to social and regional developments, the member states' intention to transform the "entirety of their relations" into a European Union before the passing of this decade, i.e. until 1980. In short: during this period the "Europe of business" was to be changed into a "Europe of equal and better chances for living" with democratic and common institutions.

These hopes, however, based on mere words that were soon to be swept away by reality. Instead of drawing closer together the Community rather drifted apart economically as well as politically. Thus the economic differential has even widened today in spite of some similarity in cyclical trends. The unemployment ratios reach from 2.2 p.c. in France to 7.1 p.c. in Italy, the increase of consumer prices during this year's first three quarters from 7.1 p.c. in the Federal Republic to 20.4 p.c. in Italy. Moreover, the anticipated surplus in the German balance of current transactions of \$ 7 bn compares with a British deficit of almost \$ 10 bn.

In addition the oil crisis disclosed that the solidarity within the Community did not amount to much and bilateral efforts for safe energy sources were given preference over a common procedure. The quarrel about the regional fund showed, too, that necessary Community solutions led easily to bilateral irritations. A reversal of this trend endangering the Community's existence has therefore become urgent. The last Paris summit meeting of December offered the heads of government the opportunity for this exertion. Did they accomplish it?

Yes and no — to express an opinion is difficult since the list of results comprises advances as well as empty formulas. An institutional mini-reform — i.e. regular meetings of the heads of government three times a year; cancellation of the veto power for votes on trifles; the introduction of the European Parliament's unlimited right to ask questions and the prospect of elections to this Parliament by direct suffrage — may be re-

garded as a consolation prize for those who had hoped for a start to new altitudes. But the foundation of a regional fund has finally been decided on and should ease the internal situation in Italy, Great Britain and Ireland. On the other hand, the promises given Prime Minister Wilson regarding a reduction of the British financial contribution to the EC remain very vague indeed.

The vagueness of stabilisation policies has remained, too. The countries with balance of payments surpluses are to stimulate demand without heating inflation anew — and the countries with balance of payments deficits shall intensify their stabilising policy without regression into protectionism. Striking in this context is the fact that the risk of unilateral protectionism within the EC is openly admitted by this last demand. This may also have persuaded the Federal Government to agree to the regional fund, hoping at least to damp this danger to the free goods trade within the EC.

Concerning the vital energy problem the discord among the member-states could not be eliminated at this meeting. It became obvious that eight EC-governments preferred to ally themselves rather with the USA and Japan than to rely on the French plans for an international conference with the oil exporting countries. Of course they also want to negotiate with these countries, but only as a consumers' cartel dealing with the producers' cartel of OPEC. But the Martinique summit of the Presidents Ford and Giscard d'Estaing seems to have arrived at a compromise.

For all these reasons the summary of the Paris summit can neither be enthusiastic nor disappointing. Certainly no wide perspectives were opened up as two years ago in the same place, but certainly, too, this meeting has not become such a conspicuous failure as the Copenhagen summit a year ago. There was a formula for everybody to carry home confidently and present there. Thus bills were drawn on a better future handling of common European problems.

Although nobody knows, whether or not these bills will be honoured, there is at least some hope again for more European concord — a concord that certainly does not indicate advances in integration, but rather aims at preparing a solution of some countries' internal problems and so holding European future options open.

Otto G. Mayer