

## The European Economic Community

The European Economic Community, one of the great success stories of the recent past, will be represented at the Summit by Gaston Thorn, the European Commission President and Luxembourg's Foreign Minister.

It was recognized at the London Summit in 1977 that the E.E.C. should participate since its members have, by treaty, signed over to community institutions certain aspects of their sovereignty in agricultural, financial and other economic matters. For example, the Commission often negotiates trade agreements with third countries on behalf of the Community.

The original members of the Community, which came into being on January 1, 1958—France, Germany, Italy, Belgium, The Netherlands and Luxembourg—were joined by Britain, Ireland and Denmark in 1973. This year Greece began a five-year transition to full membership. The Community is committed to taking in Spain and Portugal as well, but with the agricultural support system now in effect their admission would add enormously to the budget expenditures.

The Community's members are now adjusting to new economic realities. Mr. Thorn made a gloomy report on the economy to the European Parliament in March. He said the continent is "at the centre of a crisis of long duration." Old industries such as steel are in decline, oil prices are high with every prospect of getting higher and there are high levels of unemployment.

## The Agenda

The principal focus at the Economic Summit has been on the major economic issues facing both the industrialized market economy nations and the rest of the world.

The final, full agenda for the Ottawa Summit remains flexible, but it is anticipated that it will include discussions on:

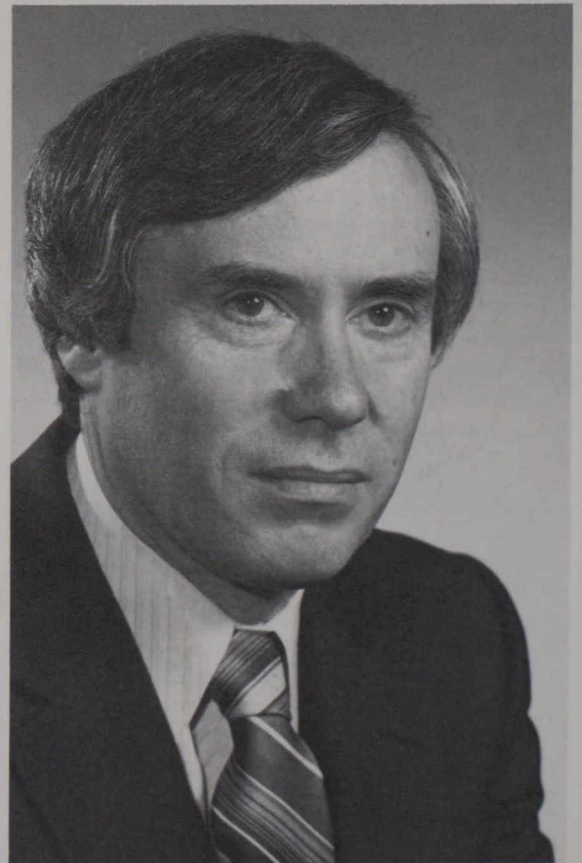
- The tensions between fighting inflation and coping with low-or-no-growth scenarios foreseen for most developed countries and rising unemployment in many.
- The recycling of petro dollars and the debt and balance of payment needs of a number of developing countries.
- The international trade situation and the need to avoid destructive protectionism and renew the impetus toward the expansion of world trade.
- The energy situation. The oil crisis has given a new urgency to the West's relations with developing and underdeveloped countries.

The traditional economic areas—trade, energy, inflation, growth and unemployment—have concerned the leaders of the industrial nations for years. The annual Summit meetings recognize the high degree of interaction among the Western economies—in trade, money markets and investment. No country can regulate its economy alone, and economic problems must be solved in consultation. There has also been a growing appreciation that *all* nations are interdependent and that, to a great extent, all economic problems are global.

## Developing Dialogues

After hosting the Economic Summit in July, Canada will participate in the meetings of the Commonwealth heads of government in Melbourne in September and in the North/South Summit planned for late October in Mexico City.

Canada's Secretary of State for External Affairs, Mark MacGuigan, spoke on interdepen-



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