

EUROPEAN COMMUNITY NEWS

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COMMISSION OF THE EUROPEAN COMMUNITIES

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MANSHOLT PLAYS RETURN ENGAGEMENT AT UNCTAD

European Commission President Sicco L. Mansholt, known for his unorthodox ways and concern for the "Third World," unexpectedly returned to the third United Nations Conference on Trade and Development (UNCTAD III) in a last-minute personal bid to achieve positive results.

In his second visit to the Santiago, Chile, conference on May 16, Mr. Mansholt attempted to work out a common position among the delegations of the Community member countries. This, together with Community initiatives to include developing countries in future GATT negotiations on non-tariff trade barriers, helped clear the confused atmosphere at the end of the five-week conference.

Among the main themes cited by Mr. Mansholt during his earlier UNCTAD appearance were the need for international commodity agreements to stabilize world markets and for allocations of Special Drawing Rights (SDR's, or "paper gold") to replete developing countries' reserves.###

COMMISSION PROTESTS ARRESTS OF GREEK "EUROPEANS"

The Greek Government, in the view of the European Commission, "is still far from meeting one of the basic conditions of association [with the Community], namely the return to democracy."

The Commission's statement came in a May 10 note of protest to the Greek charge d'affaires in Brussels following recent political arrests in Greece. Those arrested include Professor Ioannis Pasmazoglou, the economist who negotiated the 1961 association agreement between Greece and the Community, and Panayiotis Kanellakis, President of the Hellenic European Youth Movement.

After the coup d'etat, the Community discontinued economic aid to Greece and now observes only parts of the agreement, mainly on customs union and trade. "The present situation," the Commission's protest note observed, "proves the correctness of the Community's position with regard to the association with Greece, namely that nothing is to be done beyond the current operation of the agreement."

The Greek Government's reply to the protest note said, in effect, that the Greek method of government concerned Greece only.###

COMMON MARKET COMMISSION REJECTS CONTINENTAL CAN OFFER

Continental Can's proposals for ending its "abuse of a dominant position" in the European Community's metal packaging market are "unsatisfactory," the EC Commission announced May 19.

Continental Can made the proposals in accordance with the Commission's December 9, 1971, decision that the American company, acting through its subsidiary Europemballage of Brussels, had abused its dominant position by acquiring a 77.3 per cent interest in the Dutch company Thomassen and Drijver Verblifa NV. Since this acquisition, the Commission alleged, Continental Can's subsidiary has held too large a share of the market for three types of metal packaging goods: light metal cans for meats, cans for fish and shellfish, and lids.

Article 86 of the Common Market Treaty forbids companies "to take improper advantage of a dominant position" that affects trade between the member countries. Violations of the Community's competition rules are punishable by penalties of up to \$1,086 a day.

Article 86 has not yet been tested in the Community's "supreme court," the Court of Justice in Luxembourg. It has been invoked only once before, against the German company GEMA, which controlled the rights of composers. GEMA took the dispute to the Court of Justice but abandoned proceedings before the Court had ruled.###

NIXON HAILS MARSHALL PLAN'S 25TH ANNIVERSARY

Moscow summitry dominated the headlines, but President Richard M. Nixon did not forget American-European trade and monetary relations.

In a message read at the May 24 ceremonies in Paris celebrating the twenty-fifth anniversary of the Marshall Plan, Mr. Nixon said that at the time of the Plan the United States "gave generously, aware that its power imposed special responsibilities. With the rebirth of Europe and Japan, we must define the responsibilities which are not the same as those after the war. Together we must build a new international monetary system and make new progress towards establishing free and fair trade."

Prior to his Moscow departure, the President proclaimed the week of May 21 "World Trade Week." The Marshall Plan ceremonies were held during a meeting of the Organization of Economic Cooperation and Development (OECD).###

DENIAU ANSWERS YAOUNDE CRITICS

During the nine years of the Yaounde Convention, US exports to the associate countries have tripled, while European Community trade with the same countries has increased by only 100 per cent, Jean-Francois Deniau, Commissioner in charge of development aid, told a May 18 press conference in Brussels. Mr. Deniau was responding to charges of discrimination and of harm to outside countries made against the Yaounde Convention by US critics.

Mr. Deniau, who helped negotiated the participation of Mauritius in the Yaounde Convention, said that the decade of existence of the Convention testified to its worth. Mauritius had chosen to become the nineteenth member of an association from which no country had ever withdrawn, although the associate states spanned the political spectrum and were sometimes politically unstable.

Mr. Deniau said the Convention should be geographically enlarged to include non-African states. He noted that 20 Commonwealth countries would become eligible for association after Britain joins the Community on January 1, 1973. Trade preferences granted through the Convention, Mr. Deniau added, should be strengthened rather than weakened.###

REPORT CALLS FOR A POWERFUL EUROPEAN PARLIAMENT

Joseph Heller's Yossarian found a way out of the "Catch-22," and so too may

the European Parliament.

The "Catch" is that the 142-member Parliament cannot be granted more than advisory powers until it is directly elected and that it cannot be directly elected until its legislative powers are increased. Now, however, a group of 14 experts, headed by the French constitutional authority Georges Vedel, has recommended the expansion of the Parliament's legislative powers as soon as possible. By 1978, the report said, Council decisions should be ratified by the European Parliament before they become binding on member states.

The Vedel report is intended to provide the basis for Commission proposals on the enlarged Community's institutions. This issue will receive top billing at the October "European Summit" meeting in Paris.###

"BIG" DOESN'T ALWAYS MEAN "BETTER"

Multinational corporations, more and more in the news these days, were singled out by Commissioner Albert Borschette as one of the Community's foremost problems.

In a May 17 address in Luxembourg before the Congress of the European Organization of the World Confederation of Labor, Mr. Borschette said the enlarged Community of Ten must formulate a common policy toward multinational corporations. The Commissioner said he was uncertain whether the Rome Treaty could maintain effective competition and prevent the abuse of economic power. But, he added, efforts must continue, and perhaps the Treaty needs amendment.

Included in this common policy, Mr. Borschette said, should be worker participation in multinational company management and uniform labor contracts in each of the Community countries where a multinational corporation operates.###

ONE TRADE ACCORD CONCLUDED; THREE MORE IN THE WORKS

Agreeing to disagree, the European Community and Egypt expect to begin a five-year trade accord January 1, 1973.

Egypt's participation in the Arab League's boycott of all firms dealing with Israel had stalled the successful conclusion of the trade talks for two years. Finally, during negotiations on April 27-28, an ambiguous compromise was reached: the trade accord will not affect Egyptian security regulations, yet at the same time these regulations will conform to the trade accord. The preferential trade agreement is similar to one now in force between the Community and Israel.

The second round of talks on the Community's proposed three-year commercial agreement with Uruguay is due to start June 16. India has renewed its application to the Community for trade negotiations this year, and Malta wants to expand its present association agreement with the Community.###

IT'S BEEN A BIG "SOCIAL" YEAR FOR THE COMMUNITY

The European Commission is moving toward proposals that would protect workers against mass dismissals by multinational companies.

The move, announced by Commissioner Albert Coppe in a May 10 report on social affairs, came after recent layoffs by AKZO, a large Dutch chemical firm with operations in several Community countries.

Mr. Coppe also pointed to the May 1 expansion of the European Social Fund as evidence of the increased attention given to social aspects of Community policies. The Fund now has at its disposal for this year \$105.9 million

(1972 dollars).

During the past year the Community has also created a standing committee on employment, instituted new social security rules for migrant workers, established guidelines for a vocational training program, and set up the first comprehensive plan on health protection and environmental conservation, Mr. Coppe said.

Mr. Coppe noted that although unemployment was still higher than in previous years, it had leveled off in recent months.###

MALFATTI (AND EUROPE) WIN BIG

Former Commission President Franco Maria Malfatti's reelection to the Italian Chamber of Deputies was interpreted by many observers as a local mandate for "Europe."

Mr. Malfatti, who campaigned on his personal commitment to European unity, received one of the highest preferential votes of the Christian Democrat Party candidates. He had resigned from the Commission March 22 to devote full time on his campaign for the May 7-8 national elections.###

WORTH QUOTING

* I think there is an understandable incentive among the Europeans which has existed from the beginning that they want to get themselves organized to have a more balanced relationship with the United States. But I honestly don't see any substantial body of opinion in Europe which wants to organize Europe on the basis of being against the United States. -- J. ROBERT SCHAETZEL, US Ambassador to the European Community, Interview by Clyde H. Farnsworth of "The New York Times," May 21, 1972.

* [It is necessary] for our two countries to work together, with our partners, to transform Europe into a powerful and united force, capable of a decisive influence for peace and the well-being of all peoples, both inside and outside its borders. -- QUEEN ELIZABETH II of England, State Visit to France, May 17-20, 1972.

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