

EUROPEAN COMMUNITY NEWS

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COMMISSION OF THE EUROPEAN COMMUNITIES

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DENMARK SAYS "JA"

The enlarged Community will definitely be a Community of "Nine," as Danes voted by an unexpectedly large margin to join Great Britain and Ireland in entering the EC next January. The October 2 vote of 1,954,054 for and 1,126,095 against came only a week after a similar referendum in Norway had rejected EC entry. Speculation continues about whether a reversal in order of the two plebiscites would have brought different results in Norway. Voter turnout in Denmark was 89.8 per cent.

Hours after leading the pro-EC forces to victory, Danish Prime Minister Jens Otto Krag announced his resignation as head of the Social Democratic minority government. Mr. Krag explained to the stunned country that he had long wanted to retire from politics when the opportunity arose. "This has now come," he said. He denied any intention of becoming Denmark's representative at EC headquarters in Brussels.

Entry into the Community will spell immediate economic benefits for Denmark, ensuring continued agricultural trade with Britain and forestalling a possible devaluation of the krone. Perhaps more important, the overwhelming Danish approval of the Community rekindled the idealistic hopes from which a uniting Europe was born over 20 years ago; and fears of growing neutralism in the Scandinavian countries have been eased.

The long tradition of Danish democracy is expected to reinforce demands for a strengthened European Parliament, and Denmark is expected to be a determined voice for the rights of smaller member states.

In Brussels, reaction to the Danish referendum was characterized as one of "delight." Commission President Sicco L. Mansholt at his October 3 press conference said that he hoped Norway would reconsider EC entry and that Sweden would join sometime in the future. Spain, he hoped, would also join, but only after becoming a democracy.

Although pleased with the results of the Danish referendum, Mansholt commented that a referendum may be ill-suited for deciding so complex an issue as Common Market entry. He called it particularly ineffective as a vehicle for democratic expression "if rumors and false charges are deliberately made, as was the case in Norway."

EC WELCOMES US MONETARY PROPOSALS

The fifth of a series of informal exchanges between the European Community and the United States found "both looking forward very much" to the 1973 world trade negotiations," US Under Secretary of State John N. Irwin II said. Characterizing the October 5-6 talks as "frank" and "very helpful," Mr. Irwin told a State Department joint news conference that the only principle difference arose from US concern over the European Community's enlargement and preferential trade accords.

EC Commissioner Ralf Dahrendorf, also at the news conference, noted that there was "an indication that various problems can be tackled a little more easily," thanks to US proposals for international monetary reform.

Accompanying Mr. Dahrendorf to Washington for the semi-annual talks were Director General for Agriculture Louis-Georges Rabot, Theodorus Hijzen, Director General for External Trade, and other Commission officials. Participating on the US side, along with Mr. Irwin, were William D. Eberle, Special Representative for Trade Negotiations, Harold B. Malmgren, Deputy Special Representative for Trade Negotiations, Assistant Treasury Secretary John M. Hennessy; Treasury Under Secretary Paul A. Volcker; Herbert Stein, Chairman of the Council of Economic Advisors, and Presidential Assistant Peter M. Flanigan.

The next round of informal EC-US talks is scheduled for the spring in Brussels.

DUTY-FREE SHOPS "OFF-LIMITS" TO EC TRAVELERS

Intra-Community travelers will not have access to duty-free shops after December 31, 1973, if the Council approves a September 12 Commission proposal.

The Commission also proposed that the value-added tax (VAT), a tax levied on goods at each stage of production and distribution, should not be imposed on personal gifts worth up to \$54 mailed from one member country to another -- so that the customer would not have to pay tax twice. To facilitate cultural exchanges, VAT should also not be levied in recipient countries on mailed newspapers, books, brochures, and magazines worth up to \$27, the proposal added.

FINANCIAL CONFERENCE NEXT MONTH

The Study Group of European Economic Problems will sponsor an international conference November 2-3 in Paris on "Financial Statements in Important Industrial Countries." The conference will focus on the legal, accounting, and tax systems in Germany, France, Great Britain, Italy, the Netherlands, and the United States. If interested in participating, contact: Euro-Economie, 8 Carlyle Close, London, N.2., England.

A COMMON "CAPITAL" MARKET

The Council of Ministers is considering a proposal for Community-wide standards for prospectuses of stock offerings -- similar to those of the American Securities and Exchange Commission.

The proposal, put forward by the EC Commission September 29, would set uniform standards for the contents, distribution, and supervision of prospectuses in member countries. A prospectus, necessary for official quotation on stock exchanges, gives the public information needed in purchasing stocks or bonds. At present, the offerings on Community exchanges are relatively narrow and their volume low, compared with the United Kingdom or New York exchanges. Community standards for prospectuses would also help integrate and develop a European capital market -- a prerequisite to economic and monetary union.

COMMISSION SEEKS TO ENFORCE COMPANY FINE

The Dutch Government is considering an EC Commission request to take action against an Amsterdam firm that has failed to pay a Commission-imposed fine. It is the first time the Commission of the European Communities has made such a request to a national government.

The company, Chemiefarma, previously known as Nederlandse Combinatie voor Chemische Industrie (Nedchem), was one of six chemical firms involved in an international quinine cartel that violated the Common Market Treaty's fair competition rules. In 1969, the firms were initially fined a total of \$500,000, but the \$210,000 fine against Chemiefarma was later reduced to \$200,000 on appeal to the Community Court of Justice. The fine is the biggest the Commission has ever levied against an individual firm.

Once the Dutch Government has acknowledged the Commission's request, the Government would issue a certificate stating that the fine is enforceable in the Netherlands. Then the Commission would give the case to a Dutch attorney to pursue.

Chemiefarma has a plea of *nolo contendere* pending in the US courts in a similar case.

CAB'S BUSINESS, NOT EC'S

The EC Commission has ruled that the US Civil Aeronautics Board (CAB) action against five airlines for allegedly illegal trans-atlantic charter flights is the CAB's business, not the European Community's, although it involves four member countries' airlines. In reply to a question from the European Parliament, the Commission said that neither it nor the EC member states could intervene in judicial proceedings against the airlines and their customer, a group of American school teachers.

EUROPEAN MS.'S

Liberated European women stopped short of asserting that EC stands for "European chauvinism," but maintained that the Community discriminates against women. Meeting for two days at Community headquarters, 85 women from 13 countries asked the EC Commission to call a European-wide conference on women's employment rights and to make optimum use of the European Social Fund to help women in vocational training and refresher courses. The women, meeting in Brussels at the invitation of the Women's Committee of the European Movement, also called on their national governments to give women fair treatment under Article 119 of the Rome Treaty regarding equal pay, vocational training, and payment for job-related schooling.

WORTH QUOTING

** It is our feeling that the elimination of obstacles to free movement should not be limited simply to suppressing legal or technological obstacles. If the essential aim of the Commission is to achieve the least possible restriction on the movement of goods and persons, it must also realize a pooling of ideas. -- ALBERT COPPE, Commissioner of the European Communities, Inaugural Address to EC-US Symposium on Lead Impact, Amsterdam, October 2, 1972.*

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