

# EUROPEAN COMMUNITY NEWS

**PUBLISHED FORTNIGHTLY**

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**COMMISSION OF THE EUROPEAN COMMUNITIES**

2100 M Street, N.W., Washington, D.C. 20037 phone: (202) 872-8350  
277 Park Avenue, New York, N.Y. 10017 phone: (212) 371-3804

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## ROGERS, EC COMMISSIONERS TALK

In his second visit of the year to EC headquarters in Brussels, US Secretary of State William P. Rogers reiterated the Nixon Administration's continued support for the Community's economic and political objectives. Mr. Rogers cautioned, however, during ~~his~~ December 7 visit that "neither of us take actions which might make world trade negotiations more difficult."

A Commission meeting with Mr. Rogers focused on the Community's consideration of a Mediterranean policy, which Mr. Rogers said could lead to "the formation of a giant bloc which would discriminate against US producers." Ralf Dahrendorf, the EC Commissioner responsible for foreign trade, asked that the Community's policy be judged not only from the commercial angle but from the broader viewpoint as an attempt to promote development and stability in the Mediterranean area.

The meeting also focused on the Community's common agricultural policy (CAP), which American officials have said impedes US exports. EC Commission President Sicco L. Mansholt observed that the CAP, which aims at modernizing and consolidating European farm production, must be regarded as a social action instead of simply as an obstacle to US-EC agricultural trade. Other topics discussed at the meeting and in individual talks included President Nixon's proposed European trip, the upcoming talks in the General Agreement on Tariffs and Trade (GATT), the EC's enlargement, and protectionist sentiment in the United States.

## NEW COMMISSION LINEUP

The 13 members of the new Commission of the enlarged European Communities are: President Francois-Xavier Ortoli, of France; Vice President Wilhelm Haferkamp, of Germany; Vice President Patrick J. Hillery, of Ireland; Vice President Carlo Scarascia-Mugnozza, of Italy; Vice President Christopher J. Soames, of Britain; Vice President Henri F. Simonet, of Belgium; Commissioner Albert Borschette, of Luxembourg; Commissioner Jean-Francois Deniau, of France; Commissioner Finn Olav Gunderlach, of Denmark; Commissioner Ralf Dahrendorf, of Germany; Commissioner Pierre J. Lardinois, of the Netherlands, and Commissioner George Thomson, of Britain. At the December 18-19 EC Council of Ministers meeting, the national governments' nominees to the Commission were formally appointed; they will take the oath of office on January 9, in Luxembourg.

WHISKEY IS WHISKEY IS...

Is Scotch whiskey an alcohol or a processed agricultural good? At issue in this semantic question is whether British distillers are entitled to export rebates under the Community's common agricultural policy. Such restitutions are necessary, Britain claims, since EC membership will obligate whiskey distillers to buy Common Market grain instead of cheaper American and Canadian grain, thus raising whiskey prices and possibly hurting Britain's world exports. France, which has a wine surplus problem, believes such rebates can come only through the adoption of a Community alcohol policy. The issue remained unresolved during ministerial meetings this month which went on into the wee, whiskey hours of the morning.

CYPRUS-EC ACCORD

Under a projected association agreement between the EC and Cyprus, the Community will reduce import duties on Cypriot industrial goods by 70 per cent and on fruits and vegetables by 40 per cent. Cyprus will gradually cut duties on EC products by 35 per cent. Britain and Ireland (which join the Community in January) will maintain their current import agreements with Cyprus until June 30, 1977, and then fully assume the obligations of the agreement. The negotiations for the agreement were concluded on December 6 in Brussels. Final Cypriot approval of the pact, however, is dependent upon finding a "satisfactory solution" for British and Irish imports of Cypriot wines.

LABOUR AGAIN SAYS "NO" TO EUROPE

There will be 16 empty seats at the European Parliament in Strasbourg, France, next year, because the British Labour Party has decided to boycott that EC institution. Following the lead of their leader Harold Wilson, who once favored British membership in the Community but now doesn't, Labour MP's voted 134-to-88 on December 13 against sending a delegation to the European Parliament. "Let there be no doubt about the deep dismay our nonparticipation will provoke among European Socialist parties," said Roy Jenkins, who had resigned as Deputy Labour Party Leader in protest against Mr. Wilson's turnabout on British entry. The British Conservative and Liberal Parties will have delegations of 18 and two members, respectively, at the European Parliament.

EUROCRATS STRIKE

Like employees anywhere, European Community civil servants sometimes go on strike. About 10,000 Eurocrats, as they are commonly called, staged a one-week walkout this month over both pay and principle. On December 19, the day after the strike ended, the EC Council of Ministers unanimously reaffirmed a pay adjustment procedure agreed upon earlier. This procedure takes into account inflation and increased salaries of national civil servants. Since the Community's inception, a salary differential has helped attract talented national civil servants to the EC institutions in Brussels, Luxembourg, and Strasbourg.

## SWING TO THE LEFT IN EUROPE

Like most of the world, Europe seems to be currently moving toward more liberal government. In Germany, Willy Brandt and his Socialist Party have just scored their greatest electoral victory. In Austria, the Liberal Party victory in general elections has ended a generation of conservative rule. In France, opinion polls show the left wing coalition leading the right-of-center Gaullist government by 7 per cent. This comes at a time of liberal election victories in Australia and New Zealand and a reduced conservative majority in the Japanese elections. In the United States, President Nixon's victory in the elections, following his successful trips to Moscow and Peking and the prospects of peace in Vietnam, contrasted strongly with Republican Party setbacks. In the European Community, now anxious to duplicate its economic successes with a drive to establish a more humane society, within the context of free enterprise and multiparty democracy, the trend is seen as indicating that the Community's renewed emphasis on the quality of life is one that has growing universal support.

## BRITISH INSURANCE COMPANIES TO COMPETE IN CONTINENTAL EUROPE

With Britain's entry into the EC in January, British non-life insurance companies will now be free to operate in other Community countries. At present, Britain's non-life insurance corporations do more business than all insurance companies in the initial six Community countries put together, and the challenge of British firms is already being compared to a supermarket setting up across the street from a corner store. The principal competition will be in the low premiums which Britain's huge insurance industry is able to offer. In automobile insurance, for instance, the owner-driver of a small car who has made no claims for four years can get full collision insurance, with \$25 deductible, for about \$25 a year. "Third party insurance" -- the legal minimum requirement -- is about \$12 a year for new subscribers with small cars going down to about \$6 yearly after five years without claims. Higher repair costs on the Continent -- and rising repair costs in Britain -- will certainly affect these figures, but many continental companies fear the initial impact of vastly reduced rates will put them out of the ball park in campaigning for new customers. British companies also have a reputation for swifter payment. A car "written off" in a crash can usually be replaced within 48 hours. "No fault" insurance -- now common to most of Western Europe -- speeds claims and eliminates time and expense-causing legal disputes.

## THE ENLARGED COMMUNITY IN FIGURES

The Community of Nine will have a population of 253 million, a square area of 589,000 miles, and a gross national product of \$694.5 billion. It will be the largest trading bloc in the world, accounting for 27.6 per cent and 24.3 per cent, respectively, of world exports and imports.

PRESS VIEW: EUROPE AND THE UNITED STATES

Washington -- The past, in the form of the Vietnam War, still dominates immediate attention. But diplomats who have to look ahead are much more concerned these days with Europe. As they contemplate 1973, they increasingly suspect that a lot of good history will be made provided, but only provided, that the biggest single danger since World War II can be managed. The danger which seems to become daily more dangerous is that as Britain enters the Common Market there will be an estrangement between Western Europe and the United States which will end not only the old "special relationship" between Britain and America, but also any broader special relationship between the new West European Community and the United States...The English Channel is a narrow body of water but the crossing can be rough. Taking Britain back to Europe can be extremely disturbing to the whole transatlantic relationship. There are anxious people in high places who think this may be the most dangerous moment for the West since Hitler's Luftwaffe attacked Britain. -- Joseph C. Harsch, *The Christian Science Monitor*, December 9, 1972.

WORTH QUOTING

*\*The Commission stands at the center of the European stage. For many people it represents the shop window of the EEC. But although it is recognized as being a powerhouse of European ideas, it often suffers, unfairly, the criticism of being faceless and bureaucratic. Perhaps that's because its role is often misunderstood and its supranational character aloof from the daily realities of the man in the street. Our task in the new Commission will be to bridge that credibility gap. Our test will be our policies and achievements. -- Statement by Irish Foreign Affairs Minister Patrick J. Hillery, newly appointed Vice President of the Commission of the enlarged European Communities.*

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**FIRST CLASS**