

# EUROPEAN COMMUNITY NEWS

**PUBLISHED FORTNIGHTLY**

*The contents of this newsletter may be quoted or reproduced without further permission.*

**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

JULY 20, 1973      No. 34

## GATT MANDATE COMPLETED

The European Community is ready for the forthcoming negotiations within the General Agreement on Tariffs and Trade (GATT), now that the Council of Ministers has enacted the Commission's negotiating mandate, the equivalent of a trade bill in the United States.

The negotiations which may begin this year will be the third round of GATT talks since the Community began operating in 1958. The first test of the Community's liberal trade orientation was established in the "Dillon Round" of 1960-61 and confirmed in the "Kennedy Round" of 1964-67 which resulted in an average industrial tariff reduction of 35-40 per cent, the biggest tariff cuts in history. In the new round of negotiations, the Community will be negotiating for nine member countries, instead of six, as previously, since the admission last January of the United Kingdom, Ireland, and Denmark.

## SOAMES DEFENDS PRESIDENT'S EUROPEAN VISIT

By coincidence, the European Parliament chose the Fourth of July for a discussion of President Richard M. Nixon's projected visit to Europe this fall. For the first time, a French Communist member of parliament, Gustave Ansart, took part in debate, but the tenor of his remarks -- largely anti-Nixon and anti-American -- was strenuously opposed by Sir Christopher Soames, EC Commission Vice President responsible for the Community's external relations.

Soames told the Parliament that politicians, accustomed to thinking of relations between individual countries and the United States, must learn to think in European terms and develop the dialogue that has begun on a different basis. It little matters what form the visit takes, as long as it occurs, Soames said. He pledged the Commission's cooperation to make it a success.

COMMUNITY'S  
COMMON FRONT  
AT HELSINKI

The European Community, armed with a common negotiating position on East-West trade, is participating in non-military aspects of the Conference on Security and Cooperation in Europe which opened in Helsinki on July 3.

Speaking for the Community on the opening day, Knud Boerg Andersen of Denmark, President in Office of the EC Council of Ministers, told the other participants that "the results of the negotiations on these subjects [covered by the common commercial policy] will depend on the conclusion of an agreement with the Community." He also reminded his listeners of the Community's political declaration of intent at the 1972 "Summit" meeting in Paris to "make a concerted and constructive contribution to the Conference."

## LOOKING AHEAD

The "Nine," the 19 African countries associated with the Community under the Yaounde Convention, and other developing countries eligible for association with the European Community confer in Brussels July 25-26 on the association's future. The Yaounde Convention expires January 31, 1975.

POLLUTION PARLEY  
IN LUXEMBOURG

A European colloquy on problems posed for man and his environment by mercury and cadmium contamination took place in the city of Luxembourg July 3-5. Organized by the "Health Protection" unit of the Commission's Directorate General for Social Affairs, the discussions were designed to provide "a gathering of scientific know-how at the European level."

The Luxembourg meeting focused on the following topics:

- presence of mercury and cadmium in the environment
- technical analysis
- ecological consequences
- benefits to man
- adverse effects on man.

The Luxembourg discussions showed the Commission's continuing determination to approach pollution problems analytically. An important step in this direction was made last year when the Commission organized a major conference on lead pollution.

Eventually scientific criteria for danger levels will be established and common guidelines drawn for policy at Community level.

## SWEETER SUGAR POLICY URGED

A "sweeter" Community sugar policy, both towards outside countries and within the Community, is now under consideration.

The Commission's July 16 proposals were discussed briefly at the July 25-26 meeting of the Council of Ministers and sent to the Council's Special Agricultural Committee for thorough review. The proposals contain three major planks:

- International Sugar Agreement. The Commission recommended joining in the new international sugar agreement to be negotiated in Geneva this fall within the General Agreements on Tariffs and Trade (GATT). The Community would limit its sugar exports to 800,000 tons annually, under normal conditions. In the event of world shortages, there would be no export ceiling.
- Developing and Associated Countries. Developing countries signatory to the Commonwealth Sugar Agreement would enjoy a guaranteed market for 1.3 million tons of sugar. Associated States would be assured Community imports of 55,000 tons. Both groups would benefit from guaranteed prices. If the negotiated price falls below the world price, the Community would pay the latter.
- Sugar Policy within the Community. Since the Community is self-sufficient in sugar (producing and consuming about 10 million tons a year), it should orient production to accommodate 1.4 million tons in imports and the 800,000-ton export ceiling.

The Commission also recommended continuance of the quota system. Quotas would be assigned to sugar firms instead of, as now, to member countries.

## FIVE-YEAR LIMIT ON EXPORT CREDITS?

In their race to win export orders many firms rely on their governments for long-term credits or guarantees. But, according to the EC Commission, it's a contest no one wins.

For that reason, the Commission says EC member states should normally limit to five years credits or guarantees on exports to industrialized and state-trading countries. To exceed the limit, a member government would have to win its partners' approval.

The Commission hopes non-Community governments will play the world-trade game by the same rules. The proposal is now before the Council of Ministers.

## UNIFORM TURNOVER TAX BASE PROPOSED

A uniform base has been proposed for assessing turnover tax on the value added at each stage of production and distribution of a product throughout the Community. If enacted, this proposal would remove one competitive distortion. The tax rates applied by each country would still have to be aligned.

CLEAN SLATE FOR  
DU PONT'S GERMAN  
SUBSIDIARY

The marketing techniques of the Frankfurt-based German subsidiary of the US chemical giant, Du Pont de Nemours, are "clean."

After checking the conditions Du Pont's German filial applies to sales of photographic products in Germany, the EC Commission -- which is responsible for enforcing the Common Market rules to ensure fair competition -- has found that Du Pont allows its German customers to sell its products in other Community countries, and does not try to impose minimum prices on such sales.

SAFER CAR SEATS

Europe is producing cleaner, safer automobiles. Since February 1970 EC member governments have been steadily introducing tough common rules on, for example, exhaust systems, gasoline tanks, steering equipment, horns, doors, and brakes.

Now the EC Commission, which initiates the program, has called for joint standards on car seats. Other proposals currently being studied by member governments cover turn signals, windshield wipers, trailer connections, windows, sliding roofs, and arrangement of controls.

---

**EUROPEAN COMMUNITY NEWS**

2100 M Street NW Washington DC 20037

**FIRST CLASS**