

European Community NEWS

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KRAG SCORES ISOLATIONISM AS THREAT TO US-EC LINKS

Jens-Otto Krag, head of the EC delegation in Washington, has told a Council on Foreign Relations lunch in New York that American isolationism, not US domination, is the main threat to US-European relations. He said the danger was of "an isolated United States and a European policy which does not recognize the necessity of Atlantic solidarity. Such a European policy would strengthen isolationistic forces in this country and threaten the foundation of a policy which has maintained the peace and freedom of the Western world for 25 years."

Krag also made the following points:

- On US demands for "linkage" between economic, political, and defense problems affecting the United States and Europe: "The general acceptance of parallelism is not possible for Europe. This is true in spite of the acknowledged need for US-European solidarity to guarantee Western Europe's freedom."
- On US claims that Europe is not paying its share of defense: "The truth is that European military budgets have never before in peace time been so large. Western Europe provides about 75 per cent of NATO's ground troops, 80 per cent of the Navy, and 75 per

cent of the Air Force. The Western European defense budget has risen more than 30 per cent over the last three years."

- On US charges that Europe's Mid-East policies compete with Washington's: "No steps have been taken which could hamper Mr. Kissinger's negotiating efforts."
- On British renegotiation: "It is my hope that the European Commission, the Council of Ministers, and the European Parliament will show flexibility. If this is the case the British wish for renegotiation might turn into an advantage for the Community by creating a new dynamic and paving the way for new decisions in areas where no progress has been made in late years."

STUDY EUROPE IN AMSTERDAM

Amsterdam University's Europe Institut is sponsoring a course on European integration, August 19-30. It is open to lawyers and civil servants familiar with Community problems and will be conducted in English. Tuition fee is 600 florins (about \$230). Further information may be obtained from the Netherlands Universities Foundation for International Cooperation (NUFFIC), 27 Molenstraat, The Hague, the Netherlands.

EUROPEAN COMMUNITY NEWS NOT APPEARING NEXT WEEK

Due to the Easter closure of European Community headquarters in Brussels, *European Community News* will not appear next week.

COMMONWEALTH TRADE AND THE COMMUNITY

Trade between the Common Market and non-member countries should increase now that Britain belongs to the EC but "any attempt to calculate the effects on.. Commonwealth countries would be premature," according to the Commission. The statement came in answer to a question put by a British member of the of the European Parliament, Lord Charles O'Hagan.

The Commission noted that Commonwealth countries in Africa, the Caribbean, and the Pacific were among the developing countries currently negotiating a new Association Agreement with the Community. Their present trading advantages with Britain would continue until the new Association Agreement comes into force on January 31, 1975.

The statement added that "in the case of Bangladesh, India, Malaysia, Pakistan, Singapore, and Sri Lanka (formerly Ceylon), the Community has already introduced, in accordance with the Joint Declaration of Intent annexed to the Act of (British) Accession, a number of measures, notably in the framework of generalized trade preferences." The EC had just concluded a trade and cooperation agreement with India. Special measures had been taken to assist New Zealand's British market.

The Commission told another British questioner, Labour member Dick Taverne, that the EC was negotiating an agreement on jute products with Bangladesh. There would be a 40 per cent customs suspension in 1974, a 50-60 per cent suspension in 1975.

POLL SHOWS BRITONS WANT RENEGOTIATION

Almost two Britons out of three favor renegotiation of Britain's membership terms in the Common Market, according to a Gallup poll. Sixtythree per cent of respondents said they would approve renegotiation, 21 per cent were opposed, with 16 per cent in the "don't know" category.

COMMISSION NAMES TOP 3 POLLUTERS

Heat from nuclear reactors, sulphur dioxide, and nitrogen dioxide were designated the three main polluters in energy production in a report produced by the EC Commission on April 3 for discussion within the Council of Ministers and groups of national pollution experts.

BRITON TO HEAD "EUROPE + 30"

British politician-businessman Lord Kennet has been appointed to head preliminary work on the Community's "Europe + 30" project, intended to frame 21st century policy. The project is meant to enable the Community's decision-making organs to have the "facts, figures, assumptions, projections, and evaluations which will enable them to adopt the best and most farsighted policies possible," says a Community press release.

Lord Kennet's group will look into the feasibility of longrange social, economic, and technological forecasting and advise on whether there should be a "European Office of Technology Assessment". "Europe + 30" data will be made available to national governments, corporations, unions, and other institutions as well as to the Community. The "Europe + 30" proposal is the brainchild of Commissioner Ralf Dahrendorf.

COMMUNITY "SHOCKED" BUT WON'T CANCEL GREEK PACT

Commissioner Claude Cheysson told a European Parliament debate last week that the Community could not cancel its association agreement with Greece because of political developments there. The Community would continue to apply "the minimum part" of the Greek Treaty, Cheysson said. The Treaty contained no resiliation clause.

Cheysson, speaking in place of Vice President Christopher Soames, who is responsible for the Community's external affairs, was responding to a question put by a member of the Parliament's socialist group, Horst Seefeld, in behalf of a fellow-socialist, Ludwig Fellermeier: their question proposed cancellation of EC association with Greece.

Cheysson said the Community was "shocked and scandalized" by "insupportable, intolerable" developments in Greece. He added the hope that the "rights of man and liberty will be reestablished in Greece and that Greece may become once more what it has been in the eyes of humanity for two thousand years, a model of democracy."

EIB LOANS CREATE NEW DANISH JOBS

Two European Investment Bank loans will create 300 new jobs in high-unemployment areas of Denmark. The 15-year, 8.75 per cent loans will double production at two subsidiaries of Burmeister and Wain, second largest world producer of ships' diesel engines.

The EIB will lend 1.85 million units of account (UA) to Alpha-Diesel of Frederikshavn and UA 1.98 million to Artieselskabet Diesel Motor Fabrik of Holeby. (One UA equals approximately \$1.20.) These are the first EIB loans to Danish industry.

ARGENTINE-EC TRADE REVIEW

Argentina's three-year trade accord with the Community, which expires at the end of the year, was reviewed at a meeting of the Argentine-EC Joint Commission in Brussels, March 28. The Argentinian Delegation, led by Ambassador to the EC Ildefonso Recalde, submitted two lists of exports which it would like to see included under either the handmade products tariff or the generalized preference system. Argentina also seeks a more stable European market for its beef and wants the next agreement with the EC to provide for economic, commercial, industrial, technical, agricultural, financial, and investment cooperation. A joint group was set up to study the issues. The EC Delegation was led by Deputy Director General for Foreign Relations Wolfgang Ernst.

COMMUNITY PAYMENTS DEFICIT OF \$22 BILLION EXPECTED

The Commission expects the Community to run an overall balance of payments deficit of \$22 billion this year, according to its March 27 communication on adjusting economic policy guidelines. Consumer prices will rise between 9 per cent and 15 per cent. The Community's gross product will increase by 2.5 per cent after allowing for inflation.

The German and Benelux payments balances will be in equilibrium or in surplus in 1974. The Commission recommended that these countries aim for a 3 per cent to 4 per cent increase in real gross national product this year. Italy, Britain, Ireland, Denmark, and France will run large payments deficits. These countries should reduce domestic demand in favor of exports, the Commission said. Italy and Britain, the worst hit, should keep their deficits to the 1973 levels, maintain high interest rates, restrict public spending, and increase income taxes where necessary.

MORE OPINION POLLS PROMISED IN EUROPE

The European Commission plans twice-yearly opinion polls and more detailed surveys on an annual or biennial basis, a Dutch questioner in the European Parliament was told last week. A consumer survey is currently being prepared.

EC PAPER INDUSTRY BESET BY TROUBLES

Shortages, pollution, and obsolescence are among the troubles plaguing the EC paper industry according to a Commission report released in Brussels on April 3.

The diminishing wood supply could be supplemented by substitutes, the study said. The Commission has made proposals for improving forests and for afforestation. Recycling wastepaper would also help.

The Commission estimated that the "Nine" will have to spend UA 680 million (\$816 million) improving paper supplies, in 1976-81. The Community farm fund could grant UA 170 million (\$204 million) to aid forestry projects.

EMPHASIS ON ATOMIC REACTOR SAFETY IN RESEARCH PROGRAM

The Commission is revising its four-year atomic research program, placing greater emphasis on reactor safety. The Brussels announcement included plans to close the oldest of three reactors at Ispra, Italy.

EUROPE TO ACT ON PESTICIDES

The Commission is drafting regulations to eliminate public health dangers from pesticides used on fruits and vegetables. The news came in answer to a European Parliament question last week.

MARJOLIN TO HEAD EMU STUDY GROUP

Paris University Professor Robert Marjolin, a former Commission Vice President and architect of EC Economic and Monetary Union (EMU) plans has been named chairman of a group to analyze the effects of institutional and structural differences between Member States which impede progress toward EMU.

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