

EUROPEAN COMMUNITY NEWS

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ITALIAN IMPORT CURBS TEMPORARILY AUTHORIZED

The Commission of the European Communities temporarily authorized Italy to collect import deposits on a conditional basis May 8. It reserved the right to review the Italian system and decide whether it may continue after July 30. The Commission also wants to set the soonest possible deadline for ending such measures applied to agricultural products under the common agricultural policy market organizations.

EC AGREES TO EXTEND IWA, FOOD AID ACCORD

The European Community will participate in the International Wheat Agreement (IWA) and the Food Aid Convention (FAC) for another year. The protocol extending EC adhesion to IWA from July 1, 1974, to June 30, 1975, was signed by Jens Otto Krag, Chief of the EC Commission Delegation to Washington. The Council of Ministers had agreed to extend the EC role in FAC for another year on April 30.

IWA, signed by the world's wheat producing countries in 1967, provides for international consultations on production and food and trade flows.

The first FAC was signed in 1967 to provide for annual supplies of wheat for developing countries. A further three-year convention, signed in 1971, was due to expire this year.

In the wake of the Kennedy Round of negotiations, the Community supplied over a million tons of cereals annually from 1968-71 to developing countries under the terms of FAC. The 1973-74 EC food aid commitment totals 1.3 million tons of grain, 45 per cent of which is granted through EC action. Besides grain, EC food aid includes powdered skim milk, butteroil, sugar, and powdered eggs.

EC OFFERS STUDY GRANTS ON EUROPEAN INTEGRATION

The 1974-75 series of EC Commission research grants awarded for the study of European integration is now open for applicants. The grants are offered to young postgraduate research students or assistants and junior lecturers studying European integration either individually or as a team, at universities or European studies and research institutes. The size of each grant (up to \$2,895) will be determined by the nature of the research and the time needed for completion. Applications must reach the EC Commission's Information Directorate General by June 30. Forms may be obtained from the European Community Information Service, 2100 M Street, N.W., Washington, D.C. 20037.

UK EXPORTS ROSE WITH EC MEMBERSHIP—SOAMES

"The first year's experience in the Community has been very satisfactory for (Britain's) exports," EC Commission Vice President Christopher Soames said in London on May 2. Soames, responsible for EC external affairs, spoke before the national export conference of Britain's Institute of Export.

Soames pointed out that five of Britain's six largest customers are Common Market countries. During the first year of EC membership, British sales to its fellow member states rose by 37 per cent, while sales to third countries went up 24 per cent. Even before EC membership, he continued, the eight other EC countries accounted for over 30 per cent of British exports.

Soames pointed to the advantages of the new EC free trade arrangements with the European Free Trade Association countries outside the Community (who bought 9 per cent of British exports in 1972), the gradual elimination of tariffs between British exports in 1972, and the gradual elimination of tariffs between Britain and its EC partners, to be completed in 1977. "So, in a few years time, we shall be in industrial free trade with countries who already take over 40 per cent of our goods...more than double the 16.5 per cent of our goods bought by the Commonwealth."

COMMISSION REPORTS ON ENERGY CRISIS AND JOBS

Elderly and migrant workers, school drop-outs, and women seeking jobs will suffer most from the repercussions of the energy situation on employment in the European Community. These were the findings of a recent Commission report. The structure rather than the level of employment will be most affected in the long-term, by the changes high oil prices are expected to cause on prices and production, the report said.

Structural employment problems are likely to be most severe on industries using oil for power and heating or as an essential raw material such as synthetic fibers, or where the final product uses oil, such as in the auto industry. The Commission expects new job opportunities to develop with the expanding demand for alternate energy sources and for products and processes using alternative fuels and raw materials.

The short-term impact of the energy situation will be limited in Germany and the Benelux countries where positive balance of payments prospects will allow relatively easy absorption of oil price hikes. France, Denmark, and especially Italy, Britain, and Ireland, will have more serious difficulties, according to the report.

The Commission said that the energy situation's effects on the job situation had to be mitigated by joint EC, member-state, industry, and trade union action which would: avoid self defeating trade and competition policies; share the burden of employment difficulties, and establish a new employment pattern.

ITALIAN MILK-IMPORT VIGILANTISM DEPLORED

Reported incidents of Italian demonstrators' shooting at Bavarian milk tankers and pouring 156,000 liters of German imported milk into the streets are "deplorable," the Commission said April 9, answering to a written question from the European Parliament. The Commission said it is keeping close watch on the situation, but that Italy, so far, has not violated Common Market Treaty free trade guarantees. The responsibility for quelling local demonstrations rests with member states, according to the Commission. The Commission attributed the current malaise to dwindling dairy farmer earnings, due to higher milk production costs, and Italy's need to import dairy products to reduce the continuing milk shortage there.

COMMISSION ENDORSES EC PATENT CONVENTION

The European Community Patent Convention has been endorsed by the EC Commission in an opinion forwarded to the member states this month. The EC convention complements the European System for the Grant of Patents, signed in Munich October 5, 1973, by the nine member states, along with Switzerland, Sweden, Norway, Austria, Greece, Liechtenstein, and Monaco. It defines a unitary and autonomous law whereby European patents issued in the Common Market under the "Munich convention" will be honored by all EC members.

The Commission strongly opposed the adoption of a draft supplementary protocol which would delay application of the EC convention five to ten years beyond 1976, the date it would go into force. The protocol, the Commission said, would violate the Common Market Treaty by allowing patent owners until 1986 to prohibit the import of goods patented elsewhere in the Community, thus preventing the free movement of goods. The convention will be signed at an intergovernmental conference later this year.

EXTRADITION NOT THE COMMISSION'S BUSINESS

Problems of extradition are outside the Commission's competence, it said in answer to a written question from the European Parliament regarding a report that the Nazi war criminal Klaus Barbie, has taken refuge in Paraguay to escape French Government reprisals. Barbie, "the butcher of Lyons," fled to Paraguay from Bolivia which was to hold him until the Bolivian courts reached a decision on a French request for his extradition.

The Commission rejected a suggestion that it hold up Paraguay's request to open trade negotiations with the Community pending Barbie's release to the French Government. During 1972, Paraguay's exports to the Community totaled \$36 million while its EC imports totaled \$21 million.

EC SETS UP SUBSIDY PLAN FOR DRIED GRASS

Regulations putting dehydrated fodder (dried grass) under the EC common agricultural policy market organization and providing producer subsidies were adopted by the Council of Ministers, April 30. Dried grass may be used to supplement imported proteins, such as soybeans in animal feed. Subsidies will be granted for production of dried fodders grown in the Community which meet standards setting a maximum moisture and minimum protein content. The fixed subsidy for the 1974-75 marketing year, to begin May 15, was fixed at six units of account (UA) per metric ton. (One UA equals \$1.20635 at current rates.) These aid systems will be applicable until the end of the 1977/78 year, when the Council will decide whether to retain or amend them.

The new regulations apply to artificially dried forages such as lucerne, sainfoin, clover, lupins, vetches, and similar products, excluding hay and forage kale.

EC HAS LARGEST SHARE IN WORLD STEEL OUTPUT

European Community furnace steel production in 1973 surpassed 1972 figures by 7.9 per cent to reach 150 million metric tons. Steel output rose in all EC countries except Denmark (down 10 per cent due to a strike in the spring of 1973). World furnace steel production reached a record high of 667.5 million metric tons, 10.6 per cent higher than 1972. The European Coal and Steel Community led in world output, producing 22.5 per cent of the total. The EC-Six used 84.2 per cent of its production capacity ranging from 76 per cent in Italy to 91 per cent in Luxembourg.

US Steel output in 1973 went up to 140 million metric tons, 8.5 million tons higher than Soviet production. Japanese output jumped 23 per cent, raising its share of world production to 17.9 per cent.

**ORTOLI TO MEET WITH
CALLAGHAN AND WILSON**

British Secretary of State for Foreign and Commonwealth Affairs James Callaghan will hold talks with EC Commission President Francois-Xavier Ortoli in London May 13. Ortoli will also meet with British Prime Minister Harold Wilson and other senior government officials.

**EC CONSUMERS GLOOMY
COMMISSION SURVEY SHOWS**

The energy crisis has prompted European Community families to take a distinctly gloomier view of the general situation than they held a year ago, the Commission concluded from results of its recently published sixth EC consumer survey. The survey of 30,000 households in Germany, France, Italy, Belgium and, for the first time, Denmark was concluded at the end of January. Britain and Ireland will be included in future surveys.

Pessimism about the economic situation among Italian, Dutch, and Belgian families contrasted with the somewhat optimistic outlook they had had in October. The steady deterioration of German consumer confidence was accentuated in January, the report said,

while pessimism was not so widespread in France as in the other countries. In all member states, but especially Italy and Germany, more households felt worse off financially in January than they did a year ago and expected a drop in their buying power over the next 12 months.

More families in every country but France intend to delay purchases of consumer durables (cars, deep-freezes, refrigerators, television sets, etc.) than they did a year ago. Most families in Germany, the Netherlands, and Belgium thought it was a good time to save, while the majority in Italy and France thought the opposite.

Despite increased pessimism everywhere, the majority of the families polled said they intended to spend as much or more on vacations than they did a year ago, preferring to cut down on other expenditures.

**THE COMMON
SUPER MARKET?**

What is the European Community in the mind of an American child? When a six year old was informed that her aunt worked for the Common Market, she gleefully replied, "Then, she's a cash register lady!"

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