

# EUROPEAN COMMUNITY NEWS

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**EUROPEAN COMMUNITY INFORMATION SERVICE** 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

NO. 19      MAY 17, 1974

## **DUISENBERG - SIMON DISCUSS FUTURE GOLD ROLE**

The Netherlands Minister of Finance Willem Duisenberg met with US Treasury Secretary William Simon in Washington for exploratory talks on the future role of gold in international monetary arrangements. Duisenberg reported on the two proposals recently drawn up by EC finance ministers. The ministers reasserted their view that Special Drawing Rights (SDR's) should become the future monetary system's main reserve asset and that new arrangements for gold during the interim period should be consistent with that goal. They also agreed that interim arrangements should allow monetary authorities to utilize monetary gold stocks as effective instruments of international settlement.

Simon agreed with Duisenberg that the future role of gold, including interim measures, should be settled by agreement on the broadest possible international basis. Simon emphasized that primary consideration should be given to the need for insuring that any changes in gold-related international agreements help to reduce the role of gold and to further the evolution of economically responsive international monetary arrangements.

## **ORTOLI TO UPPER VOLTA, IVORY COAST**

President of the EC Commission, Francois-Xavier Ortoli, will pay an official visit to Upper Volta May 16-18 and to the Ivory Coast May 19-21. Accompanied by Commission Secretary General Emile Noel and EC "development and cooperation" officials, Ortoli will meet with Upper Volta President Sangoule Lamizana and Ivory Coast President Felix Houphouet-Boigny. He will also meet with representatives of the Inter State Committee of the famine-stricken Sahel region in Ougadougou Upper Volta on May 18.

## **STATE-TRADE AGREEMENTS TO BE HANDLED THROUGH EC**

Trade agreements between European Community member states and state-trading countries may no longer be negotiated on a national basis, the Council of Ministers decided May 7 in Brussels. Henceforth, all trade negotiations will have to be conducted by the Community, the Council confirmed. The decision will affect the East-Bloc member countries of the Council for Mutual Economic Assistance who previously had negotiated national accords with several EC countries. The persistence of national agreements stems from Eastern Europe's reticence about treating the Community as a unit. In the past year, however, Comecon has indicated a willingness to open exploratory talks on future trade relations with the Community.

## US LABOR OFFICIALS TALK WITH COMMISSION

Effects of the European Community's social policy on multinational corporations and agriculture were discussed by US labor union representatives and EC Commission trade union and external relations officials in Brussels May 4-9. Forming the US delegation were Frank Fernbach, special assistant to United Steel Workers of America President I.W. Abel, William Kaufman, Philadelphia-South Jersey Joint Board member of the International Ladies' Garment Workers Union, and Harry Conn, Editor-in-Chief of Press Associates, Inc., an independent labor news service.

## 1973 A "BANNER YEAR" FOR US EXPORTS TO EUROPE

"The first year of the enlarged European Community was a banner year for US agricultural and industrial exports" to the Common Market, Jens Otto Krag said May 10 in an address before the Business Council Meeting at the Homestead in Hot Springs, Virginia. Krag is Chief of the EC Commission's delegation to Washington.

Krag discounted the claim that US exports would "suffer" from EC enlargement and that the United States is therefore entitled to EC compensation.

According to the US Department of Commerce, he said, US exports to EC countries rose 41 per cent from \$11.9 billion in 1972 to \$16.7 billion in 1973. Soybeans, the single most important US export, rose 84 per cent to \$1.2 billion, while corn nearly doubled to \$900 million, he said. Above average gains were also recorded for oilseed cake, wheat, organic chemicals, aircraft, valves, and transistor exports. Other major US export items such as office machines, measuring instruments, and tobacco also rose.

While attributing much of these "spectacular gains" to inflation, he

pointed out that the US export volume also expanded. The volume of soybean exports rose by about 65 per cent, corn 28 per cent, wheat 8 per cent, oilseed cake 4 per cent, and tobacco 10 per cent. "To me," he said, "these figures show that American farmers and businessmen are far more competitive than they realize." According to Krag, GNP figures and productivity estimates for the Seventies showed that one American produces roughly as much as 2.6 Europeans.

## EC INSURANCE RISK SHARING PLAN DRAFTED

A European Community plan allowing insurance companies to share the risk of a policy with other companies in their own member state or anywhere else in the Common Market was proposed this month, to the Council of Ministers by the Commission. The coinsurance plan would eliminate restrictions in certain member states which prevent companies from going directly to other EC member firms to share a contract. Coinsurance companies would only be liable for their share of the risk.

## EC CONFRONTED WITH GIANT APPLE SURPLUS

The European Community has more apples than it can sell, with 1973 stocks 390,000 tons higher than the year before, the Commission said in answer to a written question from the European Parliament. The surplus has dropped the price for apples below the basic EC price, causing about 150,000 metric tons of apples to be taken off the market. In effort to protect EC apple growers against market disturbing imports, the apple exporting countries of the southern hemisphere have agreed with the Commission to phase down shipments to the Community. Accordingly, the Community's apple imports from April to June 1974 will drop by about 15 per cent below the corresponding periods in 1971, 1972, and 1973.