

# European Community NEWS

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## LARDINOIS MEETS BUTZ ON US CROP SHORTFALL

"One hundred years of free trade between America's Midwest and Europe will not be broken," EC Commissioner for agriculture Petrus J. Lardinois said at a joint press conference with US Secretary of Agriculture Earl L. Butz in Washington August 28. Lardinois met with Butz and other senior US officials August 27-28 to discuss the effect the anticipated shortfall of US grains and feeds will have on the world market. Lardinois underlined the good crop results in Europe this year and said the Community was prepared to reduce demands on American grains. Europe has a surplus of soft wheat but needs hard wheat, corn, and soybeans for stock feed.

Butz said the US exported 1.2 billion bushels of corn last year and between 750 million and 900 million bushels would be available for export this year. The United States exported \$1.25 billion in grains and cereals to the Community last year of which \$890 million was in corn.

## MOVE TO NORMALIZE EC-GREECE RELATIONS

Greek Foreign Minister George Mavros and Francois-Xavier Ortoli, President of the Commission of the European Communities will meet in Brussels September 10 to discuss normalization of EC-Greek relations, in light of the restoration of democracy in Greece. The Greece-EC Association treaty, signed in

1961, was suspended in 1967 following the "colonels' coup." On September 2, the Commission sent the Council of Ministers a proposal to resume progress toward customs union, sign an additional protocol to account for EC enlargement, begin corresponding commercial negotiations, and review the possibility of unfreezing \$55.75 million in EIB loans earmarked for Greece prior to the coup.

## EC COMMISSION CONGRATULATES FORD

EC Commission President Francois-Xavier Ortoli congratulated President Gerald R. Ford on succeeding to the Presidency in an August 9 telegram. Ortoli said the Commission was certain "that in your efforts on behalf of the good of the American people you will offer particular attention to the maintenance and development of the good and friendly relations that exist between the great American democracy and the European Communities."

## EC MOVES TO GUARD AGAINST WINE SURPLUS

The European Community will face a large wine surplus at the end of this year's harvest, threatening to make prices inordinately low. EC wine stocks now total 2.1 billion gallons. Acting on a request for market stabilization from France and Italy, the Commission has sent the Council of Ministers a program for table wine distillation which would provide EC distillation subsidies and allow producers and distillers to negotiate supply contracts.

**CHEYSSON VISITS EGYPT  
FOR COOPERATION TALKS**

EC Commissioner Claude Cheysson is visiting Cairo, for official talks with Egyptian foreign affairs minister Ismael Fahmi on the EC cooperation offer made to Jordan and the Mediterranean basin countries. Cheysson, responsible for EC development and cooperation policy is also meeting with Egyptian economics and planning ministers and with Mahmoud Riad, president of the Arab League. The talks, begun on September 3, will end September 6. Cheysson visited Syria, Jordan, and Lebanon for similar talks earlier this year.

**EC FOOD AID PROPOSED  
FOR CYPRIOT REFUGEES**

A Commission proposal to augment the European Community's emergency food aid allotment for Cyprus' 190,000 refugees was sent to the Council of Ministers September 2. The aid, consisting of 3,000 tons of grain and 200 tons each of powdered milk and butteroil, would be distributed through the United Nations. A shipment of 50 tons of powdered milk had been approved in response to an urgent request from Cyprus President Glafkos Clerides.

**EC-URUGUAY TRADE  
ACCORD GETS UNDERWAY**

The first trade agreement between the European Community and Uruguay went into effect on August 1. The accord was signed on April 2, 1973.

**COUNCIL REVIEWS  
NEW VAT PROPOSALS**

Writers, journalists, musicians, actors and lecturers should be exempt from the value added tax (VAT) in the European Community, except where they are concerned with the publishing or reproduction of their work, according to Commission proposals sent to the Council of Ministers last month. The proposals would also exempt lawyers and members of the judiciary as well as artworks, antiques, and collector's items. Telecommunications services, including radio and television operations would now be subject to the VAT as would stock brokerage and certain banking services, including exchange dealing.

The Commission would also abolish the January 1, 1975, deadline for harmonizing member states' VAT systems, therefore delaying the initiation of a system for financing the EC budget out of its own resources.

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