

# European Community NEWS

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## EC MOVE TO HEAD OFF BRITISH EXIT

The threat of a British exit from the Common Market was diminished this week when the EC Heads of State or Government agreed on terms for reducing Britain's contribution to the EC budget. The accord was reached at the March 10-11 European Council meeting in Dublin. The British Government must now decide whether to recommend the solution to its electorate which will vote on British EC membership in a June referendum. Under the terms, Britain will get a refund if its gross national product falls below 85 per cent of the EC average and if its real growth rate drops below 120 per cent of the EC average.

The EC leaders also agreed to consider extending the time limit for allowing duty free New Zealand dairy product exports to the Community.

## EVALUATION OF CAP MADE BY COMMISSION

A full-scale review of the European Community's common agricultural policy (CAP) was sent to the Council of Ministers in a February 26 Commission communication. The CAP has succeeded in achieving security of supply, reasonable consumer prices, market stability, and increased agricultural productivity, the document said. The Commission faulted the CAP for failing to create a common EC farm market. Additionally, the policy's effectiveness has been undercut by the lack of

interaction with EC regional, monetary, and social policies. The Commission recommended keeping the EC guaranteed price support system as a key CAP element.

## METAL COMPANIES COMPLY WITH EC ANTITRUST RULES

Three European non-ferrous metal companies recently canceled an across-the-board cooperation agreement which ran counter to European Community antitrust regulations, following Commission intervention. The companies involved were Trefimetaux GP SA of Paris and two German firms: Kabel-und Metallwerke Gutehoffnungshutte AG of Hanover and Weiland-Werke AG of Ulm. The agreement covering semi-manufactured copper, copper alloy, substitute, and processed products called for wide-ranging cooperation on production, marketing, and general business strategy.

## BIRDS OF A FEATHER SHOULD FLOCK TOGETHER

The European Community member states should sign the International Convention for the Protection of Birds, in order to preserve the ecological balance and protect European wild birds species threatened with extinction, the Commission said recently. Set up in 1950, the convention calls for international cooperation to protect migration habits and setting up a rigorous surveillance system to monitor bird populations.

**CALL TO PREVENT DATA  
BANK INVASION OF PRIVACY**

Proposals to protect the rights and privacy of European Community citizens from abuse of personal information stored in data banks are being drafted by the Commission in response to a February resolution of the European Parliament. Emphasizing the need for immediate EC action, research and science Commissioner Guido Brunner said that supranational or international control would come too late to prevent abusive country-to-country data transfer practices. The Parliament will supplement the Commission's work in this area by setting up a working party and holding hearings with experts in the field.

**EC PREFERENCE SYSTEM  
TO UNDERGO STREAMLINING**

The European Community's generalized preference system (GPS) for developing countries will be streamlined and given a longer life span, according to Council of Ministers guidelines adopted in a March 3 resolution. Recognizing generalized preferences as an important instrument of development cooperation, the Council said the system should be simplified to promote greater and wider use; extended beyond the 1980 expiration date, and made more adaptable to the beneficiary countries' export potential and the EC economy.

**EC NOT TO BLAME FOR  
BRITAIN'S INFLATION**

Sterling depreciation and salary hikes proportionally higher than productivity increases are the principal culprits behind Britain's rising price levels -- not membership in the European Community -- the Commission reaffirmed during the European Parliament's February session, in Strasbourg, France. Community price levels for most farm products are actually lower than world levels. Additionally, the Commission said, reductions in British tariff levels for intra-EC trade in industrial products (up to 60 per cent) have helped restrain British inflation.

**COMMUNITY CEREAL AID  
DISTRIBUTION DECIDED**

Three international organizations and 35 developing countries will benefit from the European Community's commitment to nearly 1.3 million metric tons of cereal aid, made under the International Food Aid Convention. The allocations are set forth in the 1974/75 action plan adopted by the Council of Ministers March 4. Half this amount (643,500 metric tons) will be granted as EC aid, with the rest being supplied by the individual member states. India will be the principal beneficiary, receiving about 300,000 metric tons.

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