

European Community NEWS

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CHINA TO SET UP RELATIONS WITH EC

The People's Republic of China has decided to establish diplomatic relations with the European Community and appoint an ambassador to the Commission in Brussels, Commission Vice President Christopher Soames announced during his visit to Peking last week. Soames is Vice President responsible for external affairs. All nine Community countries have diplomatic relations with China. Soames said that China would negotiate a trade agreement with the Community, China's most important trading partner after Japan, after both had exchanged diplomatic missions.

ISRAEL, COMMUNITY SIGN TRADE ACCORD

Israel became the first country to sign an agreement within the framework of the Community's global "Mediterranean policy" on May 11. The agreement, signed in Brussels, will cut Community tariffs on Israeli industrial products by 60 per cent July 1 and eliminate them by 1977, and will substantially reduce tariffs on Israeli agricultural exports. Under the agreement, Israel will gradually abolish its customs duties on Community imports by 1989. The agreement was signed by Israeli Foreign Minister Yigal Allon and Irish Foreign Minister Garret Fitzgerald, representing the Community.

The Community accounts for half of Israel's imports -- which totaled \$2 billion in 1974 -- and 40 per cent of its exports -- worth \$700 million in the same year.

FRENCH FRANC TO REJOIN EC SNAKE

The French franc will rejoin the European monetary "snake," French President Valery Giscard d'Estaing announced May 9 in Paris. The snake is the system by which five Community countries -- Belgium, Denmark, Germany, Luxembourg, and the Netherlands -- limit the fluctuations between their currencies to a maximum deviation of 2.25 per cent above and below their respective cross rates. The French franc dropped out of the snake on January 19, 1974, in the wake of the monetary instability caused by oil price increases. France's decision to rejoin the snake constitutes a "very positive sign of the progressive stabilization on European economies," according to a French Government spokesman.

EC-IRAN TALKS HELD IN TEHRAN

The shape of a future EC-Iran agreement was discussed during Commission Vice President Christopher Soames' May 13-14 visit to Teheran. Soames is responsible for external relations. The meetings will prepare the way for exploratory talks in Brussels at a later date.

Soames, traveling at the invitation of the Iranian Government, met with Prime Minister Amin Abbas Hoveyda, Minister for Economic Affairs and Finance Hushang Ansari, and Abdul Majid Majidi, Minister of State and head of the Plan and Budget Organization.

NIGERIA FIRST TO RATIFY LOME ACCORD

Nigeria became the first of the signatory nations to ratify the Lome Convention, a trade-and-aid agreement between the Community and 46 African, Caribbean, and Pacific countries, on March 21. The Convention was signed in Lome, Togo on February 28. Signatories must ratify the Convention in conformity with their respective constitutional rules.

ORTOLI MEETS WITH LEADERS IN GREECE

The Greek Government affirmed democratic Greece's European vocation during the May 7-8 visit of EC Commission President Francois-Xavier Ortoli to Greece. Ortoli met with Prime Minister Constantine Caramanlis and Coordination and Planning Minister Panayotis Papaligouras, who expressed Greece's desire for integrating with Europe. No official request for accession to the European Community has been made.

BRITISH STEEL GETS COMMUNITY ASSISTANCE

A British project for the development of coke ovens and related installations will receive financial aid from the Community. The British Steel Corporation will receive a \$9.2 million loan, granted under the European Coal and Steel Community Treaty, for its Orgreave plant near Sheffield, England, a Commission spokesman announced May 6. Upon completion in 1976, the project will raise the plant's annual output from 450,000 tons to 530,000 tons. The loan brings total Community financial aid to the British Steel Corporation since 1973 to \$226.3 million, including \$7.4 million in grants.

COMMISSION ACTS ON LEAD POLLUTION

Community citizens will be protected against unsafe levels of lead in the environment, after the Council acts on two proposals for directives submitted by the Commission in April. The directives would set biological and air quality standards for member states to protect their people from the effects of environmental pollution outside the place of work. The directives set minimum acceptable levels for the presence of lead in the blood and lungs and specifies procedures for monitoring pollution levels.

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