



## ***The Thorn Commission Takes Shape***

Under the presidency of Gaston Thorn, former Luxemburg Prime Minister, the following are the members (with their respective portfolios) of the new Commission, who took up office on January 6 this year:—

**Francois-Xavier Ortoli**, *Vice President* — responsible for Economic and Financial affairs, credit and investment.

**Wilhelm Haferkamp**, *Vice President* — responsible for External Relations.

**Lorenzo Natali**, *Vice President* — responsible for Enlargement, Information and global policy concerning Mediterranean countries

**Etienne Davignon**, *Vice President* — Industrial affairs, Energy policy including Euratom supply agency, and Research and Science.

**Christopher Tugendhat**, *Vice President* — Budget and Financial control, financial institutions and taxation.

**Claude Cheysson** — Development.

**Karl-Heinz Narjes** — Internal market and industrial innovation, Environment and consumer protection.

**Frans Andriessen** — Relations with the European Parliament, Competition policy.

**Poul Dalsager** — Agriculture.

**Ivor Richard** — Employment, social policy and education.

**Antonio Giolitti** — Co-ordination of EC funds, Regional policy

**Georges Contogeorgis** — Transport policy, Fisheries, and co-ordinating questions relating to tourism

**Michael O'Kennedy** — President's delegate, Personnel and Administration

Mr. Poul Dalsager was named belatedly after the tragic death of Mr. Finn Gundelach.

## ***EC/US—El Salvador***

Ambassador Eagleburger, who has now been formerly named as Deputy Secretary of State for Europe, visited the EC headquarters in Brussels in mid-February where he met with President Thorn of the EC Commission.

Mr Eagleburger bore a message of extreme concern by the American Administration about the internal situation in El Salvador, and consequent worry that the aid the European Commission had proposed would be sidetracked to serve partisan goals. President Thorn, for his part

stressed that the aid was destined only to relieve the suffering of the Salvadorian population, and that before being granted the Commission insisted on receiving guarantees for its use, for this reason the Commission was in contact with the International Committee of the Red Cross

The Commission has proposed an aid to the tune of \$½ million (plus food aid). This aid—destined for the the people of El Salvador—is conditional on the report due in mid-March of the International Committee of the Red Cross

## ***Death of EC Commissioner, Finn Gundelach***

The new Commission presided over by Gaston Thorn has lost one of its most eminent members, Mr Finn Olav Gundelach, who died in Strasbourg on January 13 at the age of 55.

Mr. Gundelach has been the Danish member of the Commission since his country's entry into the Community in

1973. Under the Presidency of Francois-Xavier Ortoli, he handled the customs union and the internal market. Between 1977 and 1980, he was a vice president of the Commission and was responsible for one of the most important sectors of European policy, the common agricultural policy

## **State of the Community Message**

In an address before the European Parliament on February 11, 1981, Mr. Gaston Thorn, President of the European Commission outlined the main problems facing the European Community in the 1980's and in the Commission's view the consequent main areas for action.

In the industrial field the prime aim, according to the Commission, must concentrate on adjusting production structures to the trend in the relative cost of energy and manpower, as well as changes in international demand.

On energy policy, the Commission will make sure that measures are taken in the Member States and on a Community-wide basis to achieve the objectives already set for 1990. The Commission will look at the possible use of subsidies to encourage a convergence of Member States' energy policies. Focus too, will be put on taxing and pricing policies within the different Member States to assess their impact on industry. Nuclear energy will remain an essential element in the EC energy strategy.

The work on environment and consumer protection will involve the drafting of a third action program.

Concerning external affairs, the President, Mr. Gaston Thorn, outlined the following priorities:—

### **Open World Trade**

As the single biggest exporting group in the world, the Community has a vital interest in maintaining a liberal world trading system and in the careful application of the rules and procedures of the GATT. In the same context close cooperation needs to be maintained with the EFTA partners, as well as with the United States and Japan. Links with developing countries also need strengthening and the most advanced of them have to be persuaded of the need to assume obligations corresponding to their economic strength, especially in the GATT framework.

### **Bilateral Trading Relations**

At the bilateral level tensions resulting from commercial imbalances with Japan must be eliminated. Solutions must also be found to particular problems with important commercial partners such as the United States, New Zealand, Australia and Yugoslavia.

### **Multifibre Arrangement**

The Multifibre Arrangement, in respect of which the Council will have to adopt negotiating directives by the summer of 1981, will be renegotiated during the second half of the year. A balance must be found between the interests of the developing countries and the Member States of the Community as well as between the textiles sector and the whole of the economy. Certain international agreements on raw materials will also have to be renewed or concluded in the course of 1981.

### **Global Negotiations: North-South**

Strengthened links with developing countries and the integration of these countries within the world economy are of great economic and political importance to the Community. Priority will be given to four major areas of work. The first concerns the North-South Dialogue within which work must be pursued in order to establish Community position on the questions of energy supply and demand, the supply of raw materials, as well as food questions and financial problems. The Commission will shortly be addressing a communication to the Council. The second area concerns the application of the second Lome Convention and its new provisions.

### **Relations with Other Non-Associated Countries**

Strengthened relations with the non-associated developing countries with which the Community will continue over the next few years to improve links in the fields of finance and cooperation, comprises the third area. At the same time agreements with India and the Andean Pact should be signed. Particular attention will be paid to strengthening relations with Latin America. Fourthly, after the decision of the European Council the Euro-Arab Dialogue will have a more important and active role in the course of 1981.

### **Mediterranean Policies and Enlargement**

Community policies in the Mediterranean basin will become increasingly important in 1981 and particular attention will have to be given to both bilateral and multi-lateral relations. In the eastern Mediterranean the Community will need to apply its new agreement with Yugoslavia (while adapting it to take Greek entry into account) and will have to reach a clearer view of its future relations with Turkey. The Community will also have to renegotiate in 1981 the financial protocols to the agreements signed with the countries of the southern Mediterranean, since these protocols require renewal within the second half of this year.

The Community will pursue the entry negotiations with Spain and Portugal and will need to pay particular attention to the consequences which the entry of these countries could have both for the present Community and for other Mediterranean countries.

### **President Sadat Addresses the European Parliament**

President Sadat became the first foreign Head of State to address the European Parliament, on February 10, when he chose that forum to elaborate on his view of Europe's role on the Middle east.

The following are the principal points of his speech:

- Europe, the Middle East and Africa should join in tripartite cooperation for development.
- Europe should join Egypt in persuading the Israelis and Palestinians to accept a formula of mutual and simultaneous recognition.
- An invitation to take part in additional security guarantees as a European contribution to peace in the Middle East.
- The Luxembourg declaration of 2nd December 1980 (cf EC Newsletter Dec. 1980, vol 3, No. 7.) is a turning point likely to have a constructive impact on peace in the near future.

### **EC-Japan**

After hearing the EC Commission's report on the results of the latest High-Level Consultations with the Japanese authorities, which took place in Tokyo at the end of January, the EC Council of Foreign Ministers issued the following statement:

1. The EC Council of Ministers reaffirmed its statement of 25 November 1980 in which it expressed its serious concern at the present state of trade between Japan and the European Community and its likely future development. It regretted that the Japanese response to the statement had not been such as to remove the Council's concern.
2. The Council of Ministers took the view that economic factors were one facet of the overall relationship between Europe and Japan; the European Community should therefore press its preoccupations on these economic difficulties at a high political level. The Community's concern should be conveyed forthwith by the representatives of the Member States and of the EC Commission in Tokyo.
3. The Council of Ministers noted in particular that the situation as regards Japanese car exports continued to give rise to increasing and very serious concern, in particular the position in certain regions of the Community especially the Benelux countries. The work and the contacts should be promptly pursued in this and other relevant sectors
4. The Council of Ministers, further noted that the EC Commission intended to introduce Community-wide surveillance forthwith in order to make more rapidly available statistical information on imports from Japan of passenger cars, color television sets and tubes and certain machine tools. It requested the Commission to monitor the results of this surveillance and to report to the Council as soon as the outcome for the first three months of this year was clear, and regularly thereafter.

5. The Council of Ministers took note that the EC Commission had circulated an initial analysis of the concentration of Japanese exports to the Community and invited the Commission to pursue the studies requested by the Council in its November statement.
6. The Council of Ministers recognized that it was for European enterprises to take advantage of the growing Japanese market and to develop positive strategies to deal with Japanese competition. It called upon the EC Commission to continue to pursue vigorously with the Japanese authorities the opening up of the Japanese market.
7. At the next EEC/Japan High-Level Consultations which should be held as soon as possible, the Commission should check on the progress of the various discussions and report to the Council on the results achieved.
8. Since the question of trade with Japan has implications for all major industrialized trading countries, the Council took the view that it should be raised with them on every possible occasion and in particular at the Western Economic Summit in Ottawa next July in the context of the customary exchange of views on world trading problems.

## **EC Food Aid Programs for 1981**

The European Commission has submitted to the Council of Ministers its proposals for the 1981 food aid programs. In its proposals the Commission recommends an allocation of a total of 1,128,000 tons of food aid, worth US\$ 785.2 million, for the needy countries. The totals for the different products are: cereals 933,000 tons, milk powder 150,000 tons, butter oil 45,000 tons.

In accordance with suggestions by the European Parliament during its hearing on hunger in the world the 1981 programs contain two main features. The first is a large increase in the quantity of cereals allocated. The second consists of improvements in the planning of food aid to ensure its greater effectiveness as an in-

strument of development. (The combined total of the cereals aid programs of the Community and its Member States will increase from 1,287,000 tons last year to 1,650,000 tons this year.)

### **A 29% Increase of Cereals Aid**

Of the total aid of 933,000 tons of cereals from the Community as such in 1981, 636,000 tons will be given direct to the needy countries, 167,000 tons channeled through international aid agencies, and 130,000 tons set aside for emergency use. For milk powder the figures are: 81,550 tons as direct aid, 60,632 through international organization and 7,818 tons for emergencies. For butter oil: 30,730 tons direct, 13,400 tons through international organizations, and 870 tons for emergencies.

The proposals to improve the effectiveness of its food aid programs include the integration of food aid planning with general development policies and with the food strategies of beneficiary countries, as well as steps to provide food aid in forms which correspond to the real needs of the people who receive it.

These proposals are in line with the Parliament's resolution that the Community not only has to concern itself with food aid, but also has to help achieve the fundamental objectives of the developing countries by promoting their rural development and increase their food production.

### **The European Investment Bank**

The bank has presented its annual report on its activities in 1980. According to this report, the EIB's financing operations last year amounted to US\$ 4.6 billion. Of this sum, US\$ 3.9 billion was for financing within the Community and the remainder for outside the Community. Loans to 30 non-member states which have agreements with the Community amounted to US\$ 715 million, of which US\$ 523 million were to Mediterranean countries.

The bank is preparing to expand its financing facilities within the framework of the Lome II convention.

## **A European Communities Trade Mark**

There are roughly two million trade marks in the EC—about 25% of which sound similar to another registered in a different Member State—yet they often relate to entirely different products. This leads to confusion; added to which are the difficulties encountered by exporters when they try to register their branded goods for import in another Member State. The net result is another barrier to trade and further limitations for the consumer choice.

To counter all this confusion, ideas for an EC Trade Mark have been tossed around since 1959. The latest idea, which promises to come to fruition in the near future is a draft directive for the approximation of national laws on trade marks and a draft regulation to complement such legislation by the establishment of a parallel Community trade mark (CMT) and a Community trade mark office (CMTO).

The aim is to ensure that trade marks enjoy uniform protection under the law of all member countries. This would require broad common agreement on what constitutes an acceptable trade mark and what does not. The draft directive indicates rules governing eligibility for registration, e.g. trade marks would be invalid if devoid of a distinctive character, or were liable to mislead the public, where, unless the need was proven, branded goods were marketed under different trade marks in different countries, and so on. It also sets out the rights conferred by trade marks, their use, and the amicable settlement of disputes.

Where a trade mark is eligible for protection, the Commission favors a simple, flexible and inexpensive procedure for registration. Ideally trade mark law would develop in such a way that one day Community law would totally replace national laws; even so there would always be those firms who wished to limit the sale of goods to within their own country, and certain trade marks designed to give information to the consumer that are unsuitable on linguistic grounds for use in a different language. Community and national trade marks therefore are likely to run in parallel for a long time.

### **The Draft Regulation**

The proposed legislation would define a Community trade mark that would have identical effect throughout the length and breadth of the Community. Such a trade mark could consist of words (including surnames), designs, letters, combination of colors, the shape of goods or their packaging, or of any other signs which are capable of distinguishing the goods or services of one enterprise from those of another.

The Regulation would stipulate rules for eligibility of ownership and registration of Community trade marks; the rights conferred, international exhaustion of such rights, infringement, the prohibition of dual protection by a national mark and a Community mark and so on. But the most important innovation would be the establishment of a Community Trade Mark Office.

### **Community Trade Mark Office (CMTO)**

At present those wishing to register their trade marks in other Community countries have to apply to up to ten trade mark registration offices, each with its different rules and regulations. With CMTO, the Commission points out, it would be possible to obtain *one* trade mark for *one* territory, comprising all the Community member countries by means of *one* application to *one* TMO under *one* procedure governed by *one* law.

Such a procedure could be expected to promote economic expansion in line with the principles of the Rome Treaty, and open up new and extended channels of economic activity.

The Commission sees the CMTO as an autonomous body, but under its general supervision, and with an Advisory Committee with the task of advising the President of the Office on matters within his competence.



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