

EUROPEAN COMMUNITY NEWS

PUBLISHED FORTNIGHTLY

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COMMISSION OF THE EUROPEAN COMMUNITIES

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NO. 38, SEPTEMBER 14, 1973

SOAMES VISITS THAILAND, HONG KONG, INDIA, JAPAN

En route to Tokyo for the opening session of the multilateral negotiations within the General Agreement on Tariffs and Trade, Commission Vice President Sir Christopher Soames visited India, Thailand, and Hong Kong for international trade discussions.

Soames met with the Prime Minister and other members of the Indian Government while in New Delhi, September 1-4. Soames' program in Bangkok from September 4-7 included meetings with senior members of the Thai Government and representatives of the Association of South East Asian Nations. Members of ASEAN, an economic and trade group, are Indonesia, Malaysia, The Philippines, Singapore, and Thailand. After a September 8-10 stay in Hong Kong, where he met with the Acting Governor and members of the Government, Soames went to Tokyo for an EC Council of Ministers meeting on September 11. During this meeting, final preparations were made for the GATT negotiations. After the talks, Soames will stay in Tokyo for two days of bilateral talks with members of the Japanese Government.

EC BEEF SHORTAGE ENDING?

The Community's beef shortage shows signs of easing. On September 3, the Commission ended the EC's year-long suspension of import duties and compensatory export payments for slaughtered beef and livestock.

Commission termination of the emergency suspension provisions was ordered when the Community's average beef price, for the week of August 27, fell to 102.25 per cent of the Council's guideline price. The guideline, set in a July 1973 regulation, required the suspension provisions to remain in effect until beef price averages fell below 103 per cent of the guideline price.

LARDINOIS
DEFENDS
EC'S CAP

Europe's high cost of living cannot be blamed on the Community's common agricultural policy (CAP), according to Petrus Lardinois, EC Commissioner responsible for agriculture. In the current food shortage, the CAP has contributed to food price stabilization, has given the consumer an advantage over the producer by protecting him from the sudden price rises on the world market, and has made available large quantities of foodstuffs at the consumer level.

Addressing the General Assembly of the European Confederation of Agriculture, at Interlaken on September 10, Lardinois called for an end to the controversy among Member States regarding the future of European agriculture. The Commissioner said that the theoretical dispute must not overshadow the real problems facing the Community: progress toward economic and monetary union, the definition of a regional and social policy, reinforcement of political cooperation within the Community, and the extension of additional powers to the European Parliament.

Pointing to the spectacular developments in intra- and extra-Community trade, which he attributed to the EC's market and price policies, Lardinois said the CAP has been correctly carried out. The Commissioner recognized the need for further improvement in the CAP, however, and called for a renewed equilibrium in certain sectors such as the beef, dairy, grain, and protein markets, reduction in the cost of the European Agricultural Guidance and Guarantee Fund, and increased efficiency and flexibility in the administration of the CAP, giving more emphasis to land distribution, the environment, and consumer interests.

WHAT
BRUSSELS
LOOKS
LIKE

"Brussels looks a bit like Cleveland, but in addition it includes a square of 15th century buildings, a king with no children for succession and three US ambassadors" -- Thomas Vail, publisher, *Cleveland Plain Dealer*, in a summer-vacation dispatch to his paper.

FISH 'N
CHIPS
IMPERILED?

The European Community has been accused of seeking to spoil the flavor of Britain's fish and chips. On July 7, in London, the Fried Fish Caterer's Association (FFCA) complained that the fish and chips trade could be badly hit by a proposed Common Market ban on synthetic acetic acid used in British vinegar. According to the FFCA, the vinegar which is commonly sprinkled on fish and chips tastes better than the brewed malt or wine variety.

**MORE EC
VISITORS
TO BRITAIN**

Increasing numbers of visitors from other EC countries have entered Britain in its first five months of Community membership.

According to a joint report by the Department of Trade and Industry and the British Tourist Authority in August, 1,307,000 EC citizens (excluding Ireland) arrived in Britain from January through May of this year -- a 10 per cent jump above the 1972 total for the same five-month period. Of the 550,000 foreign visitors who entered Britain during May, 266,000 were from EC countries -- 5 per cent more than for the same month in 1972. The removal of customs barriers between the United Kingdom and other EC countries, which came about with British entry into the EC, partially accounted for this upsurge, the report added.

The report said the number of visitors to Britain from all parts of the world has also grown since 1972 by about 10 per cent.

**EC COMBATS
CEREAL
SHORTAGE**

In the Community's latest attempt to prevent a domestic grain shortage, the Commission has banned Italian exports of durum (hard) wheat flour, groats, and meal. The August 29 decision was made at the request of Italy, whose population consumes large quantities of spaghetti and other pasta products made exclusively from hard wheat.

Due to skyrocketing world prices, the Community's grain stocks have been drained by the massive exportation of durum wheat, its by-products, barley, groats, rice, and soft wheat from Member States.

Other safeguards against depletion of grain stocks include a Community-wide ban on hard and soft wheat exports and export levies on barley and groats. These safeguards do not apply to exports made in compliance with the EC's food aid commitments.

**BANK LOANS
FOR GAS LINES**

To expedite natural gas supplies for the Community, the European Investment Bank (EIB) has granted two loans totaling 44.8 million units of account (one UA equals one 1970 dollar).

Ente Nazionale Idrocarburi of Italy has been loaned UA 25 million for construction of the Trans-Austria Gas Line, which will extend across Austria from the Czechoslovakian to the Italian border. The line, 230 miles long and capable of carrying an annual load of 10 billion cubic meters from the Soviet Union, will be vital in meeting the Community's growing energy needs. Completion date is mid-1974. A second loan of UA 19.8 million will help Gaz de France finance transit rights acquired by the undertaking in a network of gas lines, including the Trans-Austria line.

BUSINESS
VOICES
OPTIMISM
ON ECONOMY

Prospects for the Community's continued economic growth remain excellent, according to the Commission's latest survey of business management, covering February to June 1973. From management's optimistic replies to questions about order books and production forecasts, the Commission concluded that the EC's industrial production would remain buoyant.

Most German and Dutch industrialists considered their order books "normal" or "above normal". The percentage of French managements who thought orders-on-hand were "above normal" (41 per cent), rose 12 points during the period surveyed. Twenty-six per cent of the Belgian industrialists polled fitted into the "above normal" bracket.

Stable or accelerated production rates were expected by 92 per cent of the managements surveyed in Germany, 83 per cent in France, and 92 per cent in Belgium. Thirty-two per cent of those interviewed in Belgium and 30 per cent in the Netherlands anticipated an increase in output. The Commission's Luxembourg survey also found much improvement in the status of order books and a bright production outlook.

In every Member State but Germany, the Commission noted expansion of both domestic and foreign demand. In Germany, where the domestic demand was heavy, foreign demand fell.

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FIRST CLASS