

European Community NEWS

PUBLISHED WEEKLY The contents of this newsletter may be quoted or reproduced without further permission.

EUROPEAN COMMUNITY INFORMATION SERVICE 2100 M Street, N.W., Washington, D.C. 20037 Telephone: (202) 872-8350
277 Park Avenue, New York, N.Y. 10017 Telephone: (212) 371-3804

NO. 5 FEBRUARY 7, 1975

EC-ACP TREATY READY FOR SIGNING

At the end of this month, the nine European Community nations will sign an historic treaty with 46 African, Caribbean, and Pacific countries (ACP), in Lome, Togo. The five-year Lome Convention allows all exports from the ACP countries to enter the Community duty and quota free, except for a few farm products. The convention also guarantees purchase and supply of set quantities of sugar by both parties. Each producing country will have a quota. The sugar agreement will last for a minimum duration of seven years.

Over \$4 billion dollars in European aid will go to the ACP countries during the life of the convention -- about 85 per cent of it in grants and special loans. This includes a \$400 million export earnings stabilization fund to compensate countries dependent on raw material and farm exports when these prices fall. This accord will replace the Yaounde Convention with the 18 Associated African States and Mauritius.

COMMISSION PLAN TO KEEP BRITAIN IN EC

A Commission plan designed to quell anti-Common Market feeling in Britain was submitted to the Council of Ministers for approval January 30. Britain has been demanding a cut in its contribution to the EC budget and is scheduled to hold a nation-

al referendum in June. According to the plan, any member state which could prove it was paying out an unfair share of the EC budget could get back up to two thirds of its excess contribution. A member state could qualify for a refund if:

- its per capita gross national product (GNP) becomes less than 85 per cent of the average EC per capita GNP, and
- its per capita GNP growth rate in real terms is below 120 per cent of the average EC growth rate, and
- its percentage share of the EC budget exceeds by more than 10 per cent its percentage share of the Community GNP.

SIMONET CALLS FOR FIRM US ENERGY PLAN

"It is ... high time that the American administration move decisively on the front of energy conservation because it is part of global strategy" EC energy Commissioner Henri Simonet said on a nationwide television program in Washington January 28. Simonet said that until the United States starts to conserve its own energy, the rest of the oil consuming countries cannot take US proposals for negotiating with the producing countries seriously. "In order to negotiate fruitfully," he continued, "there must be among the consuming countries an agreement on a few essential topics like energy conservation, development of alternative sources, and ... the problem of recycling."

**US-EC COOPERATION AT
GATT TALKS ESSENTIAL**

"Our guiding principle of cooperation rather than confrontation with the United States must be applied in the forthcoming multilateral trade negotiations," EC Commissioner for external relations Christopher Soames said January 31 addressing the Swiss Winston Churchill Foundation in Bern. Soames said early success of the talks may hinge on how well the United States and the Community can reconcile their differences through compromise, in the sectors of agriculture and non-tariff barriers.

**US-EC OFFICIALS MEET
TO ASSESS CEREAL CRUNCH**

US and EC Commission officials met to discuss the consequences tight cereal supplies might have on transatlantic farm trade, in Brussels January 31. The EC delegation, led by agriculture Commissioner Petrus J. Lardinois, met with US Deputy Secretary of Agriculture Richard Bell and Michael Berner, US State Department Assistant for Economic Affairs.

The US party was concerned about the high number of EC corn import contracts signed last year before the poor US corn harvests were recorded and wanted to know how much cereal EC importers would need. Both parties agreed to keep abreast of the situation in order to avoid emergency measures such as export controls and contract cancellations.

**EC JOBLESS FIGURES
GO UP BY A MILLION**

Unemployment soared in the European Community in 1974, according to figures released by the Commission January 27. EC total unemployment jumped from 2.7 million in 1973 to nearly 3.8 million last year. Jobless figures ranged from 124 in Luxembourg to over a million in Italy. The unemployment rate grew fastest in Denmark -- rising from 18,600 in 1973 to 79,100 (9 per cent of the population) in 1974 -- and nearly doubled in Germany, from 485,631 to 945,916. Unemployment reached 690,000 in France, followed by Britain (621,690), the Netherlands (180,790) Belgium (140,100), and Ireland (89,935 or 8 per cent of the population).

EUROPEAN COMMUNITY INFORMATION SERVICE

2100 M Street, N.W., Washington, D.C. 20037