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COMMON MARKET COMMISSION PROPOSES THREE MEASURES TO INCREASE
COMMUNITY'S ENERGY RESOURCES: DRAFTS FUTURE POLICY
LIBERALIZING TEXTILE INDUSTRY

WASHINGTON, D.C., July 27 -- The Commission of the European Communities has proposed three measures to encourage expansion of Common Market energy supplies. To avert future power shortages, the Commission wants to assure the EC of adequate oil reserves, stable prices for electricity, and continuous development of nuclear power to reduce reliance on oil and gas.

The Commission has urged that the Common Market subsidize the efforts of European oil companies to find new deposits and improve the transportation and production of their products.

Under the Commission proposal, as long as oil companies from at least two member states participate, research and exploration efforts could be classified as "joint undertakings." The Commission and Council of Ministers would decide whether such a designation was appropriate. If it were, these companies would become eligible for Community financial subsidization, possible tax concessions, low interest loans, and loan guarantees that would be outlined in Commission recommendations.

A majority vote of the Council would be necessary to apply the label "joint undertaking" to an operation and a unanimous vote would be required to authorize Community subsidization and financial concessions.

Nuclear Plants

Another Commission proposal would authorize money to be raised by the Community to finance loans for construction of two 1000 megawatt nuclear power plants. Authorization for Euratom -- the nuclear energy arm of the EC -- to raise the money for these loans would run from the date of the Council's affirmative decision until the end of 1972 and would cover a sum of not more than 100 million dollars. The additional capital needed to complete the projected nuclear power plants would be financed in conventional fashion.

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Oil Reserves Increase

The Commission also proposes that the mandatory level of the member states' oil reserves be raised from 65 days' supply to an amount equivalent to that consumed over an average 90 day period of the preceding calendar year.

Reasons given for the suggested change were the shortage of reserve production capacity in Western Europe and the dwindling amount of reserve transport facilities.

Under the Commission proposal, the 1968 reserve stock directive would be amended and the new reserve requirements for oil products would have to be met as soon as possible and not later than January 1, 1975.

Textiles

The Commission also has released a study and recommendations on the role which the textile industry will play in the Community's commercial life during the next ten years.

A key proposal is to establish a pattern of tariff preferences in the textile field over the next five years while gradually abandoning import quantity restrictions, though not at the expense of EC trading partners of existing trade agreements.

The Commission wants to eliminate protectionism in the Community textile market but only with the proviso that foreign suppliers observe EC regulations which enable European producers to compete with them.

The plan also calls for restructuring the industry by providing Community financial help where needed, and phasing out textile production in regions where it is superfluous and the manpower could be put to better use.

Approximately 30,000 to 40,000 workers are leaving the textile industry annually, the Commission noted in recommending the Social Fund provide money for retraining these individuals.

The Commission also suggested the creation of a joint economic center to keep tabs on the condition of the textile industry and how best to utilize its resources.

The textile industry in the Six during 1969 produced \$13.4 billion dollars worth of goods (9% of industrial production), employed 3,160,000 persons (11.8% of those employed) and sent exports abroad worth \$2.97 million dollars (7.5% of total EC exports).