

EUROPEAN COMMUNITY NEWS

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COMMISSION OF THE EUROPEAN COMMUNITIES

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EC RECOGNIZES "MORAL OBLIGATION" TO AID "THIRD WORLD"

Payments of "paper gold" to developing countries, as proposed by European Commission President Sicco L. Mansholt April 17, will be considered by the third United Nations Conference on Trade and Development (UNCTAD III) now in progress in Santiago, Chile.

The new Commission head said creditor countries had "a moral obligation" to compensate developing countries for loss of their reserves' purchasing power due to last year's world monetary crisis. Mr. Mansholt suggested that the International Monetary Fund set aside allocations of Special Drawing Rights (SDR's or "paper gold") to replete foreign exchange reserves.

He also urged the industrial countries to widen their markets to developing countries' exports. To this end, he suggested reform of agriculture, tariff preferences, and world commodity agreements.

Gaston Thorn, President of the Council of Ministers, also addressed the Santiago conference. He noted that the Common Market has had a consistent trade deficit with the "Third World" and that developing countries' exports to the Community had increased from \$682 billion in 1958 to \$1,767 billion in 1971. As for the future, Mr. Thorn said that the enlarged Community of Ten would continue to meet its responsibilities to the Third World.###

DAHRENDORF ANSWERS BREZHNEV

The European Community has affirmed its readiness to deal with all European countries, including the Soviet bloc states, equally and without discrimination.

The first formal Commission reply to a March 20 speech by Soviet Party leader Leonid Brezhnev came on April 19 at the twenty-fifth anniversary of the United Nations Economic Commission for Europe (UNECE). Ralf Dahrendorf, Commissioner in charge of the Community's external relations, expressed satisfaction that the Community was now recognized internationally and his belief that the UNECE was the most appropriate vehicle for East-West understanding on major European issues.

Mr. Brezhnev, in a volte-face from previous Soviet hostility toward the Common Market, had said that the Community was a European fact of life. "Understandably, our relations with the members of this grouping will depend to what degree they will recognize, on their side, the realities which exist in the socialist parties of Europe, notably the countries of the Council of Mutual Assistance (COMECON)," Mr. Brezhnev said.###

A MEETING OF MINDS (I.E. LEGISLATORS)

The dialogue between American and European legislators continued in April with a congressional visit to Brussels and will resume in May with a European Parliament delegation traveling to Washington.

During a day-long visit to Commission headquarters April 13, Rep. William V. Alexander Jr. (D-Ark.) met with staff experts and Commissioners Albert Coppe and Albert Borschette. The Arkansas Democrat expressed interest in defense burden-sharing between the United States and Europe, containerized waterborne transportation, and exports of rice and cotton from Arkansas to the Community. Rep. Alexander went to Brussels after visiting France with other young congressmen as guests of the French Parliament.

The Brussels visit of the House Ways and Means Committee on January 10-12 was the first formal meeting between US congressmen and members of the European Parliament. These legislative contacts will be continued May 28, this time with European Parliament members visiting Washington.###

WINE TASTERS BEWARE!

A good glass of wine in Europe last year took some shopping.

Only 25 per cent of the wine processed during the 1971-72 season in the six member countries was deemed "quality" wine, according to the Commission's annual report on wine production. The report said it was an "abnormal situation in a community whose member states have such an ancient wine-drinking tradition." Some producers apparently ignored consumer tastes, the report said. Some 370 million quarts of inferior wine had to be withdrawn from the market and distilled into alcohol.

Total production for the Six during the 1971-72 season slipped to 14 billion quarts from 16 billion the previous year.###

MANSHOLT: INVOLVE THE "LITTLE MAN" IN EC LIFE

The citizens of the Common Market must recognize its significance and one way of involving them in Community institutions, according to Commission President Sicco L. Mansholt, would be by promoting guaranteed incomes.

In his maiden speech to the European Parliament as Commission President, Mr. Mansholt said that the goal of economic and monetary union could not be realized without social progress. The quality of life in general and working conditions in particular must be improved, Mr. Mansholt said. A first step would be a guaranteed minimum income.

Mr. Mansholt, in his April 19 address in Strasbourg, then touched on recurrent themes he has stressed since becoming Commission President -- the world population explosion, the waste of natural resources, and aid to developing countries. The Commission President also reminded the assembly of the October summit meeting of the six member and four candidate states. Economic and monetary union, relations with the outside world, and institutional reform, he said, were priority considerations.###

EUROPEAN UNIVERSITY INSTITUTE BECOMES A REALITY

After 13 years of talk, a European University Institute will open its doors to postgraduate students in Florence, Italy, in 1973.

A convention creating the Institute was signed by the six member governments April 19. The four candidates for Community membership have indicated

they will ratify the convention. The costs of operating the Institute will be prorated among the member countries.

The Institute, located in a villa made available by the Italian Government, will accept 250 university graduates for advanced studies and research. Eventually, it will enroll 600 students in its four departments -- history and civilization, social and political science, economics, and law. French, German, Italian, Dutch, and English will be used.

COMMON MARKET FEEDS HUNGRY BANGLADESH

Bangladesh will receive a special European Community food aid grant, according to a Commission proposal now before the Council of Ministers.

On April 18 the Commission asked the member states to approve 100,000 metric tons of wheat for the new nation. The Commission also asked that an additional 28,000 tons be subtracted from aid to Pakistan and given to Bangladesh. This additional allocation would offset Pakistan's diversion of aid originally destined for East Pakistan, now Bangladesh.

The Community had been asked to supply a third of the 2.6 million tons of grain sought by the Bangladesh Government. It said that 30 million of its citizens would need free food rations for six months and that 20 million need it all year.

As part of its worldwide food program, the Commission also sought approval for 2,000 tons of wheat flour for Arabs under Israeli rule and 2,635 tons for the Southern Sudan.###

BENEATH EC STATISTICS, BEATS A HEART

Behind the customs union and economic statistics usually associated with the European Common Market is a real, though seldom publicized, human element. Nowhere is this human element more evident than in the community's attitude toward the working man.

Article 117 of the Rome Treaty reads: "Member states hereby agree upon the necessity to promote improvement of the living and working conditions of labor so as to permit the equalization of such conditions in an upward direction." This statement has been the basis for the average European worker's unprecedented accumulation of wealth in recent years.

The average worker often used to live from paycheck to paycheck with no assets, liquid or real, to call his own. Today he not only has a savings account but also a house of his own. This accumulation of wealth has been encouraged by both the Community itself and by each of the six member countries.

The European Coal and Steel Community (ECSC), the precursor of today's Common Market, set the trend in 1956 through a program of financial aid for the construction of workers' housing. To date, this program has financed more than 115,000 dwellings.

Similarly, the six Common Market countries have subsidized building programs. Their success is shown by the fact that nearly 50 per cent of the homes built in 1969 were subsidized.

In addition, each country gives workers incentives to accumulate wealth in other ways. These incentives include wage investment plans, profit sharing, loans, and savings plans.

The average worker benefits; so too does the economy. Accumulation of assets by wage-earners stimulates economic expansion, contributes to stable prices, and leads to a more equal distribution of wealth.###

EUROPE AND THE UNITED STATES TALK TRADE

The Common Market hopes the United States will be able to start the next round of global trade talks next year on schedule, without any "slippage," according to Ralf Dahrendorf, the Commissioner responsible for the European Community's foreign trade.

Mr. Dahrendorf's remark came at an April 28 news conference in Brussels after the latest trade talks between the United States and the Community. US Under Secretary of State for Economic Affairs Nathaniel Samuels, commenting on the upcoming multilateral talks, had just told a reporter that "nobody expects them to begin in early 1973" but that they could start later that year.

The two-day talks were part of a twice-yearly exchange of information and opinion between the Community and the United States, initiated after the Kennedy Round of negotiations in the General Agreements on Tariffs and Trade (GATT).

Both Mr. Dahrendorf and Mr. Samuels said that their discussions had focused on broad strategy rather than specific issues and on common purposes rather than conflicting interests. Among the topics of discussion were an institutional link between the United States and the Community, the relationship of trade and monetary matters, policy toward the less developed countries, the possibility of increased European investment in the United States, environmental control as related to trade, and energy policy.###

EUROPE THRIVES ON SWEETS

If the old saying "sweets for my sweet" has any truth, Europeans must indeed be well loved people. The Common Market's confectionary trade amounts to well over \$3 billion.

The Common Market produced 2.8 billion metric tons of confectionary in 1969, according to the European Community Association of Sweet Product Industries. Added to the 1.3 million-ton output of Community-candidate Britain, this area's confectionary production surpassed the 3.7 million tons turned out by the United States that year.###

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