

# EUROPEAN COMMUNITY NEWS

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**COMMISSION OF THE EUROPEAN COMMUNITIES**

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## ROGERS MEETS MANSHOLT

During an abbreviated tour of European capitals, US Secretary of State William P. Rogers called on European Commission President Sicco L. Mansholt on May 5.

"Because of the difficult transition we are now going through in our relations it is more important than ever that we maintain frequent contacts with one another," Mr. Rogers said at a news conference after his May 5 meeting. Mr. Rogers told reporters that he and Mr. Mansholt had discussed President Richard M. Nixon's planned Soviet visit, relations with the developing world, and the continuing US-EC dialogue.

Mr. Rogers reiterated "long-standing US support for the evolution and enlargement of the European Community" and said he hoped the Community would develop "in a manner consistent with the needs of the international monetary and trade system."

Mr. Rogers arrived in Brussels after stops in Iceland and Britain. While in Bonn, he was suddenly recalled to Washington.###

## COMMON MARKET FOREIGN TRADE IS NO LONGER IN THE RED

For the first time in two years, the European Community has achieved a trade surplus.

Recently released figures show that the Community as a whole had a trade surplus of \$1.513 billion last year, as compared with a \$436 million deficit in 1970. The turnabout was due largely to an increase in Germany's trade surplus and shrinkage of the French, Italian, and Belgian deficits.

The Common Market is still in the red, however, in its trade with the United States. The Community's 1971 deficit with the United States was \$1.282 billion, a little more than half the 1970 trade deficit.###

## EUROPEAN STEEL PRODUCERS LIMIT EXPORTS

The steel industries of the European Community and Great Britain have agreed to limit their exports to the United States for a three-year period.

The new agreement, replacing a similar agreement that expired at the end of 1971, sets an export ceiling of 7.27 million tons for the six member countries and Great Britain. This ceiling would be increased by 2.5 per cent in 1973 and again in 1974. The United States has a similar accord with Japanese steelmakers.

The agreement was made on the condition that it would not run counter to

EC policy and that the United States would impose no import restrictions, surcharges, or customs increases during the three-year period.

The negotiations were held by Jacques Ferry, president of the "European Steel Club" (representing European steelmakers), and US Deputy Under Secretary of State for Economic Affairs Nathaniel Samuels.###

#### DAHRENDORF VISITS JAPAN

In the continuing effort to increase Japanese-European trade, Common Market Commissioner Ralf Dahrendorf visited Tokyo May 10-12.

Mr. Dahrendorf's Tokyo visit could lead to the resumption of Japanese-European Community trade negotiations, which began in September 1970 and continued through a second round of talks last July. The negotiations are for a three-year trade agreement to replace the bilateral treaties between individual Common Market countries and Japan. The talks stalled over a safeguard clause which would allow the Common Market to reinstate quotas if Japanese imports threatened to overwhelm domestic competitors.

Mr. Dahrendorf's trip was the third taken by a Commission official to Japan this year. Former Commission President Franco Maria Malfatti and Commissioner Albert Borschette met in February and April, respectively, with government authorities and economic representatives in Japan. After Mr. Malfatti's visit, it was announced that the European Community would open an information office in Japan.

Mr. Dahrendorf is the Commissioner responsible for external trade and relations.###

#### DODO BIRD AND EUROPEAN COMMUNITY HAVE SOMETHING IN COMMON

Mauritius, the home of the extinct dodo bird, will soon become the European Community's nineteenth associate under the Yaounde Convention.

An agreement by which Mauritius would accede to the Convention was signed May 12 in Port Louis, the island's capital. It is now subject to national ratification.

Through the Yaounde Convention, the Community gives the developing African nations financial and technical aid and preferential tariff treatment for their exports. The Convention went into force January 1, 1971.

Mauritius, an island in the Indian Ocean near Madagascar and a member of the British Commonwealth, has a population of 830,000. The island's chief export is sugar.###

#### US PROFITS FROM EUROPE'S COMPUTER REVOLUTION

By 1980 there will be a seven-fold increase in the number of computers in the major European countries.

Europe would then have almost 100,000 computers, according to a European Community study, many of them sold by American companies.

To date, American firms have captured 60 per cent of the more than \$1 billion electronic data processing market in Europe. "Only in the United Kingdom," the Common Market report said, "has the degree of US penetration been less marked, this being due to the presence of ICL (International Computers Limited)."

According to the US Commerce Department, shipments of American electronic computers, parts, and accessories rose from \$83 million in 1965 to almost \$400 million in 1970. This increase accounted for more than one-fourth of

the dollar gain on US shipments of machinery to the Six.

Common Market officials, in a new role as "marriage broker," are encouraging European companies to join forces to compete on equal terms with the US giants. The Siemens group in West Germany and the French Compagnie Internationale de l'Informatique have agreed to do so, and the British ICL has been shopping around Europe for partners.###

#### IRISH SAY "YES" TO COMMON MARKET ENTRY

A landslide referendum vote on May 10 confirmed Ireland's eagerness to join the European Community.

By a majority of almost five-to-one, 1.042 million Irishmen voted in favor of Common Market entry. Only 211,888 voted against. In some constituencies the "yes" to "no" ratio was as high as nine to one.

In contrast to the French referendum last month, the voter turnout in Ireland was very high -- 83 per cent.###

#### COMMON MARKET TO PROBE TEMPORARY EMPLOYMENT AGENCIES

Need an extra secretary for a week or a bricklayer for a two-day job? Call Kelly Girls or Manpower or one of countless other temporary employment agencies.

In Europe, too, similar services offer the hard-pressed employer a solution to production fluctuations, seasonal employment, and personnel absenteeism.

But they also create problems, and the Common Market Commission thinks it's time to look into these agencies from the employees' point of view. Precise statistics are unavailable, but in France alone an estimated 200,000 to 300,000 people -- mostly women -- are temporarily employed. Often the rights and interests of these workers are neglected, particularly when they are "loaned" out to employers in other countries.

The Commission has concluded that national legislation on temporary employment should be coordinated. Through such legal safeguards, temporary employees working in another member country would receive fair social security benefits and working conditions. In addition, nationality would be removed as a criterion for licensing temporary employment agencies throughout the Community. In short, there would be equal protection all around.###

#### AMERICAN COMPANY FALLS UNDER ANTIMONOPOLY RULE

A major American chemical firm has been accused of taking unfair advantage of its monopoly of the raw material for a common antituberculosis drug.

The charges against Commercial Solvents Corp. of New York and its Italian affiliate Istituto Chemioterapico Italiano (ICI) were brought before the European Communities Commission by Laboratorio Chimico Farmaceutico Giogia Zoja of Milan, another Italian firm. The Zoja company alleged that ICI and Commercial Solvents had refused to supply the raw material necessary to produce the tuberculosis drug.

The Commission found in its investigation that Commercial Solvents had suspended sales of the raw material to Zoja after the breakdown of merger negotiations between the two. Then, in 1970, ICI began to process and market the drug. The Commission is now studying ICI's explanation of these events and is expected to decide some time this summer whether or not to prosecute.

Article 86 of the Common Market Treaty forbids a company to take unfair advantage of a dominant market position.###

COMMISSION RULES ON STATE AID

The European Commission has taken a "wait-and-see" position on whether a one-year-old Italian law is incompatible with the Rome Treaty.

The law in question helps restructure Italian industry through state intervention. Article 92 of the Treaty prohibits any state aid which distorts competition by favoring certain enterprises or certain productions. Article 93 gives the Commission authority to examine national aids.

The Commission ruled on April 21 that the Italian Government should submit periodic reports on the taking of public holdings and that preferential credits should be limited to one year. In making its decision, the Commission took into account the "grave disturbances in the Italian economy" which the law was expected to help remedy.###

WORTH QUOTING

\* The music of the moment, while it retains its essential and indissoluble harmony, is not without its dissonance. Since none of us, I believe, wishes dissonance to dominate our relationship, it behooves us perhaps to alter some notes, to rearrange some chords, and to revise some themes so as to reassure the peoples of both sides of the Atlantic of a rhythm that accords with their innermost aspirations. -- US Deputy Under Secretary of State for Economic Affairs NATHANIEL SAMUELS, Address before the Friedrich Elbert Stiftung (Foundation), Leverkusen, Germany, April 14.

\* Economic integration is not political unity but its basis. It is gradually binding the member countries together by means of organized common interests....Is this a utopia? The answer lies within ourselves. Its achievement depends on us, on our confidence and on our effort. -- JEAN MONNET, President of the Action Committee for a United States of Europe, Speech before the Friedrich Elbert Stiftung, Leverkusen, Germany, April 14. ###

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