

EUROPEAN COMMUNITY NEWS

PUBLISHED FORTNIGHTLY

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

COMMISSION OF THE EUROPEAN COMMUNITIES

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

NO. 36, AUGUST 17, 1973

BUSINESS COOPERATION CENTER IS KEPT BUSY

During its first month (May-June), the European Community Business Cooperation Center in Brussels says it received 116 requests for business partners and 74 requests for information. It also made arrangements to collaborate with 34 other organizations.

Set up by the European Commission, the Center is staffed by officials of the Commission but operates as an autonomous decentralized department. It provides firms with information on national and Community provisions of a legal, fiscal, financial or administrative nature. It helps link-ups between firms in different Community countries. Being "neutral," the Center makes no assessment of applicant firms. Its services are free and its staff observes the "rules of professional discretion" with respect to the Commission and to third parties.

The Center has drawn particular interest from industrialists in Germany and Britain. The British are basically looking for mergers, whereas the Germans are more interested in contractual cooperation, the Center says.

On the sectoral level, the greatest number of requests for business partners have come from the structural steelwork and mechanical engineering industries, from the food industry, and service firms.

The Center is tailored to the requirements of small and medium-sized firms.

EC-TUNISIA: NEW ACCORD NEGOTIATIONS UNDER WAY

The EC proposed economic, financial and technical aid and special arrangements for Tunisian migrant labor when talks began in Brussels in late July for the renewal of the EC-Tunisian association agreement which expires September 1, 1974. Tunisia asked for improved terms for its agricultural exports.

REPORT SHOWS
WOMEN STILL
DON'T GET
EQUAL PAY

Despite the equal pay provision in the 1957 Rome Treaty setting up the Common Market, women workers in the nine-nation European Community are still underpaid, according to a Community report.

Work patterns for European women differ greatly: one French woman in two between 14 and 65 works, but only one Dutch woman in four has a job. More than half Germany's working women are in farming; almost half France's are in service occupations.

European women marry younger, become mothers younger than their American counterparts. Only a minority of European women continue to have babies after thirty.

EC BANK GRANTS
LOAN FOR RHINE
POWER STATION

The European Investment Bank has granted a loan of \$16.2 million units of account (one ua equals one 1970 dollar) toward construction of a hydro-electric power station on the Rhine at Gamsheim, Germany.

Promoter of the project, Centrale Electrique Rhenane de Gamsheim (CERGA) which is jointly owned by Electricite de France and Badenwerk AG of Karlsruhe, will receive the 20 year loan at 7.75 per cent interest. The power station will feed the networks of the two CERGA partners.

Construction of the station, and later of a companion unit at Iffezheim (Germany), is part of a plan drawn up under a 1969 Franco-German agreement to improve Rhine navigation, produce hydro-electricity, and develop agriculture and industry on both sides of the River.

DRIVE ON
EUROPEAN
TAX HAVENS

A Common Market report says European tax havens encourage fiscal evasion and distort the capital market. One of the EC states, Luxembourg, is a haven. So are Gibraltar, the Channel Islands and the Isle of Man -- all virtually parts of Britain -- along with Holland's West Indian Colonies, Aruba and Curacao, Britain's Cayman Islands and Bermuda. The same goes for two potential EC Associates -- Liberia and the Bahamas.

Just cracking down on European havens might merely send the clever money fleeing to Switzerland or Liechtenstein -- non-Community countries with an estimated 30,000 "Brassplate corporations" between them. The report proposed withholding taxes on the dividends of haven-based firms and on interests and royalties transferred to tax-haven corporations.

EC BANK'S
FIRST LOAN
IN BRITAIN

The European Investment Bank (EIB) has announced its first operation in Britain, which joined the European Community on January 1 this year. It has granted a "global loan" of \$8.5 million to the London-based Industrial and Commercial Finance Corporation (ICFC).

The ICFC, a credit institution, will use the money to finance medium-sized ventures in Britain's development areas. Direct EIB loans are generally reserved for larger ventures.

Set up in 1958 under the 1957 Common Market Treaty, the Luxembourg-based European Investment Bank is an independent, non-profitmaking public institution that helps finance projects in the European Community's backward areas and investments that benefit more than one EC Member State. Last year the EIB's financial assistance totalled about \$630 million.

EC DROPS
REVERSE
PREFERENCE
DEMAND --
CHEYSSON

Claude Cheysson, EC Commissioner for trade and aid with developing countries, told Washington audiences this month that the Community would not ask for reverse preferences in future partnership arrangements with African, Caribbean and Pacific countries. Cheysson referred to Brussels negotiations which began last month. Current Association agreements with African countries expire January 31, 1975.

Cheysson told an Overseas Development Council dinner discussion on August 9 that if the African countries continued to negotiate as a bloc, "they will control the Association." He welcomed the development.

Answering US charges that Europe was building a trade empire in Africa and the Mediterranean, he said outside of the three areas of the Brussels negotiations, the Community would have only conventional preferential agreements.

The Community would make proposals this fall for a World Food Aid program in which Europe would carry a heavier share of the burden than in the past, Cheysson said.

THE FLOAT
AND THE
SNAKE

Speaking of Europe's floating currencies, EC Commission Member Claude Cheysson told a Washington audience on August 9 that sterling would probably not return to the "snake in the tunnel" for "months to come." The Italian lira would probably not recover a fixed parity before sterling.

The "snake" is a graph -- one and a quarter per cent above or below a fixed parity -- which was formerly the widest variation permitted EC exchange rates. Eventually, the snake should be "flattened out" in a single European monetary union.

EUROPE'S
SOCIAL
INSURANCE
SYSTEMS
VARY WIDELY

"Womb to tomb" insurance varies widely in Europe. Holland spends over 20 per cent of its GNP on social insurance, Britain and Denmark only 13 per cent. In Holland, Germany, and Britain, the small weekly premiums take care of surgery, hospital care and house calls. In France, Belgium, and Italy, patients pay then claim later for part of their payments. France and Belgium however, pay high family allowances. Retirement and unemployment benefits vary greatly across Europe.

The proportion of social security paid by government varies from 7 per cent in Holland to 20 per cent in Britain. Employers' contributions are 25 per cent in Britain, 65 per cent in France and Italy. Employees' contributions vary from 9 per cent in Italy to 40 per cent in Holland. Social security benefits can be drawn wherever a Community citizen happens to be living, not necessarily where he paid most of his contributions.

NEW TRADE
TREATY WITH
YUGOSLAVIA

EC-Yugoslav negotiations for a new trade treaty have been completed, it was announced in Brussels on August 1 by Neils Ersboll, chairman of the Permanent Representatives' Committee, and Ambassador Petar Miljevic of Yugoslavia.

EUROPEAN COMMUNITY NEWS

2100 M Street NW Washington DC 20037

FIRST CLASS