

EUROPEAN COMMUNITY NEWS

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CYPRUS COUP AND ASSOCIATION PACT

Expressing serious concern over events in Cyprus, the Commission has issued a communique stating that the association agreement between the Community and Cyprus is based on territorial integrity and on the principle that the advantages of association must be enjoyed by the whole population of the island. Any developments that call these principles into question will affect the association agreement's further development.

ITALIAN IMPORT CONTROLS BLOCKED

Since July 22, Italy has no longer had the EC Commission's permission to collect import deposits on incoming agricultural products.

On May 8, Italy was authorized by the Commission to interrupt free trade in most farm products by applying restrictive import measures to head off a large balance of payments deficit. However, the Commission stressed that such safeguards constituted a direct attack on the basic principles of a common market and should be eliminated as quickly as possible.

EC-BRAZIL TRADE AGREEMENT BEGINS AUGUST 1

The non-preferential trade agreement between the Community and Brazil, ratified in Brussels on July 11, comes into effect on August 1, easing the entry into

the EC of three important Brazilian exports: beef, cocoa butter, and instant coffee. Without the new pact, Brazil expected serious export losses in trade with Britain.

"EUROPE PLUS THIRTY"

The Commission is financing a project called "Europe Plus Thirty" to provide the Community with a sound basis for long-range decision making.

Designed to help the EC look 30 years ahead at all times, the futuristic program will study methods of socio-economic forecasting. If results are favorable, the Commission plans to propose the creation of a European Office of Technological Assessment, which would advise the Community on the potential application of new research developments in all technical fields.

BROAD ARAB DIALOGUE WITHIN MEDITERRANEAN POLICY

Speaking at the Malta International Trade Fair, Commission Vice President Christopher Soames announced that the Community intends to develop a concerted dialogue with the Arab states, involving a wide range of issues from energy and monetary problems to job-creating investments and technical assistance. Soames emphasized that the broad agenda of topics to be discussed with the Arabs will "clearly overlap with what we do in the Mediterranean as a whole."

EC APPROVES BREAD SUBSIDY IN BRITAIN

The Commission has informed the British Government that no objection will be filed against a proposed subsidy on flour aimed at lowering the price of bread for British consumers. After examining the plan, the Commission concluded that the initiative is part of an overall anti-inflationary package which the British Government hopes will lower the cost of the most popular foods.

EC INCREASES SUPPORT FOR UN CARE OF PALESTINE REFUGEES

The Commission and the United Nations Relief and Works Agency for Palestine Refugees (UNWRA) signed a contract on July 22 in Brussels that will help fund the secondary and technical education of Palestine refugees.

The UNWRA program which reaches over 70,000 pupils in the Middle East, has been in a critical financial position for the past few years. The Commission contribution of 6.55 million units of account will revitalize the education program and supplement the large amount of food aid the Community has already provided for refugees in the Middle East. (One unit of account (UA) equals \$1.20635 at

current rates.) Member states of the EC now account for over 40 per cent of the budget contributions made to UNWRA.

EIB ANNOUNCES NEW LOANS

The European Investment Bank (EIB) has announced the following new loans in the past week:

- The Ivory Coast will receive 2,390,000 units of account to help finance cocoa plantations in the southwest. (One unit of account (UA) equals \$1.20635 at current rates.)
- The Agence Transcongolaise des Communications (ATC) will receive UA 1,008,000 to help finance the extension of port installations at Pointe Noire.
- The Industrial Credit Company, Limited of Dublin will receive UA 4.8 million to help finance the development of small and medium-sized venture in the industrial and distributive sectors.
- Electricité de France will receive UA 20 million to help complete the Bugey nuclear power station at Saint Vulbas on the Rhone River.
- Turkey will receive two loans totalling UA 25 million to be channeled through the Turkish Industrial Development Bank to be used for foreign exchange investment loans.

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