

European Community NEWS

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EC SUMMIT LAUNCHES EUROPEAN REGIONAL FUND, SOLIDIFIES STANCE

Agreement to set up a European Community regional fund to dispense nearly \$1.6 billion over the next three years was reached at the Paris EC Summit meeting of EC heads of State or Government, December 9-10. The fund, called for during the 1972 Paris EC Summit and proposed by the Commission, will support projects to stimulate development and raise the standard of living in the Community's depressed regions. The bulk of the fund's monies will go to Italy (40 per cent), Britain (28 per cent), and France (15 per cent). Germany will receive 6.4 per cent, followed by Ireland (6 per cent), the Netherlands (1.7 per cent), Belgium (1.5 per cent), Denmark (1.3 per cent), and Luxembourg (0.10 per cent). EC regional policy Commissioner George Thomson hailed the decision as an "important breakthrough."

Other points covered in the final summit communique include the EC leaders' agreement to:

- meet three times yearly as a "European Council"
- replace the unanimity rule and veto right with majority voting in most cases
- work out plans for direct popular election of the European Parliament as of 1978
- work toward coordinating economic policies to avoid a recession
- account for the needs of social progress and equality in the fight against recession and inflation.

COUNCIL REVIEWS 1974-75 EC FARM PRICE PROPOSALS

EC Commission proposals for raising farm prices in the European Community during the 1974-75 marketing year were reviewed by the Council of Ministers on December 9 in Brussels. The proposals include raising the guide or target prices for sugar by 16 per cent, soybeans by 12 per cent, table wine by 8 per cent, dairy products by 10 per cent, and pork by 11 per cent, beef by 7 per cent, and hard wheat by 8 per cent. The Council will meet again on the proposals in January. About 96 per cent of EC agricultural production is subject to the common agricultural policy's price mechanisms.

1974-75 EC CEREAL AID PROGRAM PROPOSED

The 1974/75 EC cereal aid program proposed to the Council of Ministers by the Commission last month calls for sending 81 per cent of total aid to the Sahel region and the Indian subcontinent (72 per cent in the current program). The Commission urged the Council to reconsider plans to maintain the volume of EC food aid at the level of existing commitments under the Food Aid Convention--nearly 1.3 million metric tons, half of which would be in direct EC measures. It had earlier proposed raising direct EC aid commitments to 1 million tons. Nearly 2.4 million tons in EC cereals have been requested so far by 37 countries and organizations.

**US TRADE ACT NEEDED
FOR GATT TALKS--SOAMES**

Emphasizing the need for early Congressional passage of the US Trade Reform Bill, EC Commission Vice President, Christopher Soames, told newsmen the upcoming multi-lateral trade negotiations under the General Agreement on Tariffs and Trade (GATT) would "not get off the ground unless all participating countries have the authority to negotiate." Soames spoke at a joint State Department briefing with Deputy Secretary of State, Robert Ingersoll, December 6. Soames was in Washington for the ninth round of the twice-yearly high-level EC-US consultations, December 5-6. He termed the talks a valuable "early warning system" for easing EC-US differences.

**COMMON EUROPEAN SPEED
LIMITS TO BE PROPOSED**

Common speed limits may soon be set for European Community highways. The EC Commission recently consulted with national authorities on the terms of proposals it will be sending to the Council of Ministers. The European Conference of Transport Ministers recommended limits of 37 miles per hour (mph) for busy areas, 62 mph for normal highways, and between 68 mph and 81 mph for super-highways. Speedlimits in the member states currently range from 50 mph in Ireland to 81 mph in France and Germany.

**GERMAN APPLIANCE
EXPORT BAN LIFTED**

Consumers in the Netherlands will now be able to buy German Telefunken household electric appliances, following Commission intervention. The manufacturer, AEG-Telefunken of Frankfurt had been prohibiting its German distributors from exporting products to the Netherlands because they did not conform to Dutch safety regulations. The Commission found the ban unnecessary since it prevented export of acceptable products and sales of delinquent products are illegal in the Netherlands.

**EC NATIONAL SOCIAL
SPENDING VARIES WIDELY**

Wide differences still exist between EC member state social expenditures, according to the Commission's first "European Social Budget," published this month. The "budget" analyzes national social spending trends during the period 1970-75. Estimates for 1975 show the Netherlands spending the greatest proportion of its gross national product on social benefits (26.3 per cent). Ireland will spend the least with 15.3 per cent. Denmark, Germany, and the Netherlands will have the highest per capita expenditures (about \$1,400), followed by Belgium, France, and Luxembourg (about \$1,000), Italy (\$825), Britain (\$726), and Ireland (\$525).

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