

European Community NEWS

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EC-ACP TREATY SIGNED AT LOME

The Lome Convention, a five year trade-and-aid treaty between the European Community and 46 African, Caribbean, and Pacific (ACP) nations was signed today in Lome, Togo. Under the pact, all manufactured and 96 per cent of agricultural exports from the 46 will enter the Community duty and quota free. An export earnings stabilization fund of over \$400 million will be set up to compensate countries dependent on raw material and farm exports for price and production level fluctuations. The pact also guarantees the purchase and supply, by both parties, of set quantities of sugar -- within an ACP maximum total of 1.4 million tons. Additionally, over \$4 billion in EC aid will go to the ACP countries -- most of it in grants and special loans.

SOAMES MEETS WITH PORTUGUESE LEADERS

EC Commission Vice President Christopher Soames met with Portuguese Government leaders to see how the European Community could assist Portugal's government stabilization effort through the development of EC-Portuguese relations, in Lisbon February 13-14. Soames met with President General Costa Gomes, Prime Minister Brigadier Vasco dos Santos Goncalves, and the foreign affairs, finance, and economic affairs ministers. Discussions

centered on ways to improve the operation of the EC-Portugal trade agreement and to extend it to areas such as labor, industrial, and financial cooperation.

ENERGY DIALOGUE GUIDELINES OFFERED

A Commission communication on the dialogue between the oil producing and consuming countries was sent to the Council February 21. The Commission stressed the need for common EC positions on the development of alternative energy sources and on dealing with the oil consuming nations. The oil consuming nations, the Commission said, should adopt a joint position based on the principles of mutual access to energy resources, non-discriminatory price and access conditions, common exploration and energy production goals, and profit and effort sharing.

PLAN TO REVITALIZE EC BUILDING INDUSTRY

A program to europeanize and boost the European Community's building industry was proposed to the Council of Ministers last month. The largest proportion of the EC labor force works in the building industry (8 to 10 per cent). The program would: develop methods for setting up comparability of national housing statistics and forecasts; move toward removing technical and legal barriers by taking an inventory of national building laws and regulations, and start coordinating national building research and development activities.

**EC RAW MATERIAL
POLICY ESSENTIAL**

A long term European policy on raw material supplies is essential, if the European Community is to avert a raw material shortage, the Commission said in a recent communication to the Council of Ministers. A Commission study found little risk, over the next few decades, of a general world raw materials shortage (except for wood, leathers, hides, and proteinous substances). The Community, on the other hand, faces such a threat due to its 70 to 100 per cent dependency on external sources, lack of supply source diversification, and unwillingness to invest in mining and prospecting operations, the Commission said.

**MOVE TO LAUNCH
EC COMPUTER POLICY**

The European Community's data-processing policy will get underway if the Council of Ministers adopts Commission proposals for launching five priority projects costing \$4.8 million over the next two years. One project would set up a data bank for organ and blood matching between

kidney transplant patients and donors. The others call for setting up feasibility studies on the development of common data processing systems for: information on EC imports and exports and the management and financial control of farm market organizations, retrieving national and EC legal documentation, and controlling air traffic in the 1980's.

**1975 EC ECONOMIC
OUTLOOK REVIEWED**

The 1975 outlook for the European Community's economic situation was reviewed for the European Parliament by Commission Vice President Wilhelm Haferkamp February 19. The EC rate of expansion should average 2 per cent, with countries like Italy showing a decline while France might grow at a 3 per cent rate. The rate of unemployment is not expected to go much beyond the 1974 3.5 per cent figure. Consumer price increases should also stay at the 1974 rate. Additionally, Haferkamp said, the Community's balance of payments deficit could be reduced sharply by improving the terms of trade and reducing internal demand.

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