EUROPEAN STUDIES

teachers' series

2

CONTENTS

Political Parties in the European Community

The Rhine: European waterway

The Quest for European Unity

Manpower in the Common Market



Political Parties in the European Community

The political parties of the Six European Community countries have enough in common to justify a joint study of them. In the first place, the six countries form an area united by several factors—a roughly equal level of economic development, important common experiences in recent history, and the influence of certain basic philosophical ideas such as Christianity and liberal democracy, so that the political life of each of the Six tends to be, at least to some extent, similar.

Secondly, the experience of co-operation within the political and economic structures created by the Six in the last twenty years—the European Coal and Steel Community, Euratom, and the European Economic Community, with the parliamentary assembly set up to control their work *—has led to close links between the political parties themselves. Thus the frequent meetings between the Socialists or the Christian Democrats of the Six mean that they often feel they have more in common with each other than with political parties of the same persuasion in countries outside the Six—and sometimes more than with rival parties within their own countries.

The political parties of the Six may be seen as representatives of four basic strands of political thought: Socialism, Communism, Christian Democracy, and Gaullism. This list, like any other, is of course open to question. Gaullism, for instance, is naturally an almost exclusively French phenomenon, and has been much more important during the ten years of the Fifth Republic (1958-1968) than during the twelve years of the Fourth (1946-1958). Christian Democracy, again, is a political creed which now appears less influential than it did a few years ago: the role of its official spokesmen in France has greatly diminished, while the Christian Democrat parties in Germany, Italy, and elsewhere are now forced to share political power with the representatives of Socialism. The above list makes no mention of Liberalism, although Liberal or Radical politicians have on the whole been more influential within the Six (especially in France and Belgium) than they have in Great Britain, and the Liberal Group in the European Parliament is fairly strong. Nor does it conclude the various branches of right-wing political thought represented by the Monarchists in Italy, or by the National Democratic Party (NPD) in Germany.

The Socialists

It may be helpful to start our survey with the political parties representing Socialism, partly because this 'political family' was the first to give rise to organised parties, and partly because the other 'political families', in varying degrees, came into existence as reactions against it.

The political parties representing Western European Socialism—sometimes bearing the formal title of 'Social Democratic Party' and led by such men as

Willy Brandt in West Germany, Guy Mollet and François Mitterrand in France, and (until recently) Paul-Henri Spaak in Belgium-have a good deal in common with the British Labour Party. Like the Labour Party, they originally grew out of the social conditions of the nineteenth-century Industrial Revolution, and out of the conviction that the capitalist order of society was economically inefficient and morally indefensible, and should be replaced by a new order based on the principles of Socialism. The most important difference between the British Labour Party and most of its continental counterparts was that the latter were all influenced in varying degrees by the theories of Karl Marx. This means that whereas the British Labour Party, in becoming basically a reformist party, has simply ignored Clause Four of its constitution (committing the party to the public ownership of the means of production), the continental socialist parties have fought long battles over whether they should revise or retain their commitment to several aspects of the political and philosophical doctrine of Marxism. For instance, the French Socialist Party immediately after the Liberation refused to make common cause with left-wing Catholics, on the grounds that the Catholic Church could never be a respectable ally for a progressive party; while in West Germany the Social Democratic Party's adoption of a reformist programme at its conference in Bad Godesberg in 1959 represented a fairly dramatic break with a tradition of Marxist party programmes going back almost

The Socialist parties of the Six normally get between 25 and 40 per cent of the votes at elections. They normally draw main voting strength from industrial workers (in Germany from the great bulk of the working class, in France and Italy—where there is more serious competition from the Communists—from skilled and white-collar workers). They

^{*} See forthcoming European Studies No. 3 "The European Parliament".

are correspondingly represented in the Parliaments of the six capitals.

Unlike the British Labour Party or the Social Democratic Parties of Scandinavia, Socialist parties within the Six have never been strong enough to hold power alone, but they have repeatedly taken a large share of the power in coalition Governments.

- In France, they held office with Christian Democrats and Communists in the immediate postwar period, and later in a series of centre coalitions, sometimes under Socialist leadership.
- In Italy, they have joined in various coalitions, in which the Socialist influence has been particularly strong in the last four years.
- In West Germany—though here the Socialists have really made their greatest mark in local government—they have joined in the 'Grand Coalition' which has governed the Federal Republic since the end of 1966, in which the party leader Willy Brandt is Vice-Chancellor and Foreign Minister.

In terms of policy, the Socialist spokesmen in these coalitions, and the Socialist parties in times of opposition, have stood for the traditional demands of the left. This has meant, to some extent, the public ownership of industry (which has been put into effect for the basic industries of most of the six countries, in many cases at about the time when the post-war Labour Government was carrying it out in Britain). It has meant policies of social security and social progress, such as Health Insurance, old-age benefits, and—particularly in France—legal guarantees of equal pay for women and of several weeks' paid holiday every year for all workers. And it has meant generally, a redistribution of income in favour of the worse-off sections of the community.

Even though they have never held power alone, the Socialist parties of the Six have been fairly successful in persuading their coalition partners to accept and act on these policies.

The Communists

The Communist parties of Western Europe, like the strong influence of Marxism, represent an aspect of the continental Left which distinguishes it from the left wing in Britain. Whereas the Bolshevik Revolution of 1917 had only a marginal impact on the British Labour movement—splitting away only a limited fraction of the left of the Labour Party and of other left-wing groups to form the Communist Party of Great Britain—the situation in most continental countries was different. Partly because of a strong tradition of Marxism, combined with the profoundly unsettling effects of the First World War, quite substantial sections of the pre-1924 Social Democratic Parties broke away under the impact of Lenin to form separate Communist parties.

In the Federal Republic of Germany, it is true, the present-day influence of Communism is very slight. Although the German Communist Party was the strongest, outside Russia, in the Communist International of the 1920's, it was destroyed as an

organization by Hitler (many of its leaders fled to Russia and were later liquidated in Stalin's purges), and its popularity in West Germany has been reduced to vanishing-point by the nature of the Russian occupation after the war and of the Russian-imposed Communist regime in East Germany. Precisely because the Communists in Federal Republic stand little chance in free elections, it has been widely argued that the legal decision of the German Federal court in 1956, declaring the Communist Party illegal, was politically unwise, and should be reversed. In September 1968 a new Communist Party was in fact set up in West Germany, and because it declares its acceptance of the constitution, will apparently not this time be banned.

Outside the German Federal Republic, however, the influence of Communism remains stronger. In France and Italy, in particular, Communist Parties have succeeded in winning between one quarter and one third of the votes at most of the post-war elections, and as it has been difficult for other parties of the Left to combine with them, this has resulted in a permanent shifting of the balance of political power to the Right. In France, it is true, the Communists participated in government (part of the time under de Gaulle) in the immediate post-war years, but since then they have restricted their rôle to becoming a pressure group for the interests of their voters—and also for their large-scale trade-union membership—on the extreme left.

It is no longer strictly true to call the Western European Communist Parties 'revolutionary': this was confirmed in May 1968 by the remarkably antirevolutionary attitude of the French Communist Party and—perhaps more significant in the long run-these Communist Parties have in recent years taken an increasingly positive attitude towards European integration as represented by the EEC. Having denounced European integration in the 1950's as a capitalist plot to attack the living standards of the working class, the Communist Parties of Italy and France have come, since the beginning of the 1960's, to accept that integration can make positive contributions to economic and social development. They have therefore sought representation in the European Parliament as a way of influencing this development, and their trade union organizations have sought representation in the Community's Economic and Social Council.

The appeal of Communism in France and Italy remains strong—partly for traditional reasons, since these parties represent a genuine tradition of 'revolution'—but in terms of their actual policies there are increasingly good prospects of integrating them, in the not too distant future, into the political life of Europe.

The Christian Democrats

If Communism may be described as a reaction from the Left against Democratic Socialism, Christian Democracy may not unfairly be called an

ELECTIONS IN THE EUROPEAN COMMUNITY

BELGIUM March 1968 total votes cast: 5,875,256

DEMOCRATIC FRENCH-SPEAKING FRONT
AND WALLOON ASSEMBLY

VOLKSUNIE
(Flemish notionalists)

9.7

SOCIAL
CHRISTIANS
31.7

PARTY FOR
LIBERTY &
PROGRESS
(Liberal)
20.8

28

FRANCE June 1968 (first ballot) total votes cast: 22,138,657

in %



GERMANY (FR) September 1965

total votes cast: 32,812,756

GERMAN PEACE UNION 1-3
NATIONAL DEMOCRATS

(Liberal)

9-5

CHRISTIAN
DEMOCRATS
47-6
39-3

ITALY April 1968

total votes cast: 31,785,389

PROLETARIAN SOCIALISTS
LIBERALS

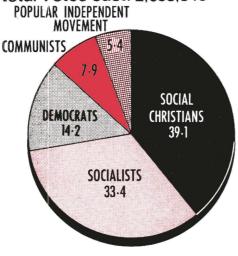
SOCIALISTS

14.5

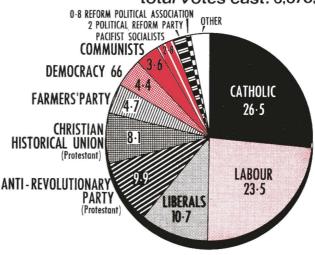
CHRISTIAN
DEMOCRATS
39

COMMUNISTS
26.9

LUXEMBOURG* June 1964 total votes cast: 2,653,845



NETHERLANDS February 1967 total votes cast: 6,878,133



*Each Luxembourg elector has as many votes as there are seats vacant in his constituency. This makes it impossible to compile statistics on the same basis.

answer to Socialism from the Right. For most of the last twenty years, the Christian Democratic parties of the Six—the parties led by Adenauer, Erhard, and Kiesinger in West Germany, by De Gasperi and Moro in Italy, and by Georges Bidault, Robert Schuman and Jean Lecanuet in France—have taken up positions somewhat to the right of the Socialists on most political issues.

In Germany, Adenauer and his successors have stood very firmly for the principles of free enterprise against state control of industry, and they strongly supported the re-armament of West Germany, in alliance with the United States and NATO, at a time when the Socialist opposition radically opposed these policies.

In Italy, again, the Christian Democrat Party has not been strong in support of state intervention to redress the economic balance between the prosperous north of Italy and the backward south.

In France, the Christian Democrat Party (officially entitled MRP or *Mouvement Républicain Populaire*) was closely associated in the late 1940's and most of the 1950's with France's colonial wars in Indo-China and Algeria.

The picture of Christian Democracy as a rightwing force, however, is only part of the story. The Christian Democratic Parties of Western Europe, when they were founded after the Second World War, represented a political force which was in many ways a new one, and its newness included a genuinely progressive outlook on many problems. In the first place, it was on the whole something new for the Catholic Church to be directly represented in Europe's political life. In France, the Church had been regarded since the 18th century as a socially and politically reactionary force, and had been deliberately excluded from the public life of the militantly anti-clerical Third Republic (particularly, for instance, from any influence over the state educational system). In Italy, the modern nation-state, the Kingdom of Italy created in the mid-19th century, had come into being at the expense of the Papacy, whose political and territorial authority it had taken away, and the Liberal monarchist politicians of the early 20th century had been replaced by the dictator Mussolini, who was even more opposed to the political power of the Church than they were. In Germany, again, although the Catholic Centre Party had been established in the time of Bismark, it had played the role—both under the 'Iron Chancellor' and under the various regimes which had followed—of a pressure group with the very limited aim of protecting Catholic interests, and very little ambition to influence the general direction of politics.

The Second World War shattered the existing political structures of Europe, and also discredited the political forces which had dominated them. This allowed the politically-minded elements in the Catholic Church to come to the force.

In the political void of 1945, these representatives of politically progressive Catholicism came forward,

and the programmes of the new Christian Democratic parties reflect their conviction that the political parties of the future must be committed to social and economic reform. The original programme of the German Christian Democratic Union had a distinctly socialistic flavour—in Germany, as elsewhere, leaders of the Christian trade union movement were actively involved—and in France and Italy, too, the new programmes sounded a note of social progress. It was probably in France, where the MRP held power jointly with Socialists and Communists until 1947, that this left-wing influence went furthest: here, basic industries were nationalized and the foundations of a well-developed welfare state were laid at this time.

In Germany and in Italy, where Socialism and state intervention in economics had been made highly suspect by the excesses of the Fascist and National Socialist dictatorships, the Christian Democratic parties were quite soon dominated by their more conservative (or, in economic terms, liberal) wings. The Christian trade unionists of the Left were reduced to the status of a pressure group working within basically conservative parties. Even in France, when the post-war left-wing coalition fell apart, and the political centre of gravity shifted back towards the right, Christian Democrats found themselves working in coalition governments of a more right-wing complexion. Indeed, some of them, for instance Maurice Schumann (no relation to Robert Schuman) have now moved even further to the right, by becoming avowed "Gaullists".

The greatest contribution of Christian Democracy to the political life of post-war Europe will probably be seen by future historians as lying in their championship of the ideal of European unity. As representatives of essentially international Catholic Church, Christian Democrats had only a relatively limited loyalty to the existing nation-states of Western Europe. Thus all the new post-war constitutions of these states, strongly influenced by Christian Democratic thinking, made provision for the handing over of sovereignty to some future United States of Europe. The names of Adenauer, Robert Schuman, and De Gasperi, the Christian Democratic leaders of the early 1950's, will always be remembered, since without their initiative the institutions of the European Community, from the Schuman Plan to the Common Market, would almost certainly not have come into being.

The "Gaullists"

"Gaullism", the third challenge to Socialism, has come on the scene more recently, and in a more limited area, than either Communism or Christian Democracy. Its beginning can be dated from 1946, when General de Gaulle resigned as head of govern-

ment in the French Fourth Republic, and began to issue his series of challenges to the Republic and to its policies. Geographically, Gaullism can hardly be said to exist as a political force outside the boundaries of France. However, the impact of Gaullism on the political life of western Europe has been so strong, particularly in the ten years since de Gaulle replaced the Fourth Republic by the Fifth, that it can hardly be ignored in any survey of the political parties of Europe today.

De Gaulle's basic objection to the Fourth Republic and its institutions, as these took shape in 1945-1946, was that they resembled all too closely the institutions of the Third Republic. This meant a regime in which over-weak governments were perpetually at the mercy of an over-strong parliamentary assembly, which in de Gaulle's view had been a main cause of the weakness of French governments in the 1930's and of the humiliating collapse of 1940. De Gaulle's declarations from 1946 onwards, and the programme of the RPF (Rassemblement du peuple français) which he founded in 1947, stressed the need for France to have a strong executive, to a large extent independent of the pressures from parliament, so that national policy—particularly diplomacy and military strategy—could be pursued in a consistent and long-term way.

The RPF, which was essentially a rallying point for the personal admirers of the General, scored a considerable success in the local elections of 1948, and in the French parliamentary election of 1951 it made a surprising gain which gave it one-sixth of the seats in the Assembly. (It should, according to proportional representation, have been a quarter, but the electoral system adopted constituted a handicap to both Gaullists and Communists).

Despite a slight electoral set-back in 1955, and a series of splits within the movement, the Gaullist party—or more exactly the General himself—was in a strong enough position in May 1958 to seize power from the faltering grasp of the Fourth Republic, in the crisis brought about by the Algerian War. In various elections held under the Fifth Republic, in 1958, 1962, 1967, and 1968, the Gaullist party, under a variety of names—Union pour la nouvelle République (UNR), Union des Démocrates pour la République (UDR)—has won majorities varying from slight to massive, and has totally altered the traditional balance of political forces in France.

The Gaullist party is still very much influenced—as the RPF was throughout its history—by motives of personal loyalty to General de Gaulle. Under its parliamentary leaders, however, particularly Georges Pompidou, the party has recently moved towards adopting a more coherent and explicit series of policy objectives—even though these remain closely related to the personal objectives of President de Gaulle. Gaullism, as a doctrine, stands for the strengthening of the executive and the strict limitation of the powers of parliament. It stands for a considerable degree of state intervention in economic

life, for instance in bringing about the 'de-concentration' of industrial activity away from Paris to the other regions. Above all, it stands for a foreign policy based on the principles of national independence, national self-sufficiency in defence matters (hence the national nuclear deterrent), and a strict limitation of the powers of supranational institutions such as those of the European Economic Community.

The elections of 1967 and 1968 in France have shown that these doctrines have a considerable appeal—partly, it is true, because the opposition parties remain so extremely divided—and in one form or another the ideas of Gaullism will certainly remain strong in France, whether or not the Gaullist party as such remains united after the General himself has gone.

Outside France, as mentioned above, the appeal of Gaullism has naturally been limited. It is true that Chancellor Adenauer in the late 1950's was strongly in sympathy with de Gaulle's views on how a political regime should be run, and in 1959 he considered taking on the role of Federal President in West Germany and turning it into something like the Gaullist Presidency of France. It is also true that some of the leading members of the Christian Democratic Party in Germany-notably Franz-Josef Strauss-have been so attracted by some of de Gaulle's ideas on foreign policy that they have acquired the label of 'German Gaullists'. But the underlying differences between these views and those of the General himself-particularly on East-West relations in Europe—are so substantial that the label is misleading, and Gaullism in any real sense stands very little chance of winning much support in Germany. The importance of Gaullism lies in what it does within France, and in the impact of Gaullist France on a basically non-Gaullist Europe.

Conclusion

The political parties of Western Europe are in a state of change and confusion, and it may be that Liberal and Conservative parties, hardly considered here in this article, will make something of a comeback. Some of the Liberal Parties of the Six, indeed, have already made a remarkable revival in recent years. This is particularly true of Belgium, where the vigorous leadership of Omer Vanaudenhove contributed to striking election successes in 1965 and 1968. In Germany, too, the Liberal FDP's position of opposition to the Grand Coalition has brought it new strength, including such prominent new supporters as the sociologist Professor Ralf Dahrendorf. Despite this, however, the main political battles in the coming years appear almost certain to be fought between the forces of the 'big four' -Socialism, Communism, Christian Democracy and Gaullism.

The Rhine and the EEC

For nations which all too often have been enemies, the Rhine was a frontier. But for traders and manufacturers—for the economies of the Rhineland countries—the river is far less a boundary between Germany and France than a link between the heartland of Europe and the North Sea. Despite the Rhine's international status, these two characteristics, pulling in opposite directions, have long impeded the exploitation of its full economic potential. The creation of the EEC opened up favourable prospects for the development of the Rhine and its associated waterways, and for the industrial centres of the new Community which focus upon them.

I.' Infrastructures

Some physical features

The Rhine is 828 miles long. In Europe, the Volga, Danube, Dnieper, Don, Vistula and Dniester are longer; on a world scale, the Nile, Amazon and Mississipi are all more than four times longer than the Rhine.

The flow of the Rhine is both abundant and regular. From the source to Coblenz the Rhine flows through an Alpine climatic region characterised by summer rainfall; from Coblenz to the sea an oceanic climatic region brings a winter maximum of rainfall. The regularity of flow makes the Rhine a reliable river for navigation and for the production of hydro-electric power.

Infrequently, floods or low water interrupt navigation. In the summer of 1964 the shallowness reduced the possible draught for vessels. The severe winter of 1962-1963 resulted in freezing of parts of the Rhine; by and large, it is estimated that ice blocks the Rhine for nearly one month in one winter in five.

River control for navigation

The conversion of the Rhine from a natural river to an artificial waterway has been achieved since the middle of the nineteenth century; this regulation was stimulated by the industrial growth of the Ruhr with the requirement for cheap transport of bulk commodities.

The Delta

The deltaic conditions of the lower Rhine have compelled the Netherlands to fix the courses of the two main distributaries—the Lek and the Waal—and the links between them and the Meuse. The intricate system of streams (including the Noord, Merwede, Nieuwe Maas, Oude Maas, Hollandse Diep and Haringvliet) will be directed towards the new waterway, the artificial channel linking Rotterdam to the sea. This is the only navigable maritime waterway in the delta plan network.

Further to the south the sea link for Antwerp, the Westerschelde, remains open. Between the Westerschelde and the new waterway a line of dykes is under construction. The background to this delta plan is the disastrous tidal wave of Febru-

ary 1st 1953, in which 1,843 died and 72,000 people were evacuated.

Seventeen gigantic locks are the 'safety valves' in the system; these remain closed except when the Rhine is in flood. The lock-gates obstruct exceptional rises of the tides which would otherwise threaten the low-lying polder regions of the Randstad between Rotterdam, Utrecht, Amsterdam and The Hague.

The Rhine-Meuse network is linked through intermediary waterways with the Scheldt network. On completion of the Delta Plan, with the closure of the sea inlets and the separation of the various fresh water basins in Zealand, Antwerp will retain a means of access to the Rhine for vessels of up to 2,000 tons, in the form of a new canal passing through Bergen-op-Zoom and Willemstad.

The Rhine Massif area

The successful control of the lower Rhine for navigation contrasts with the unsatisfactory channel in the Rhine Massif. The Lorelei Gap is navigated via two narrow channels which create traffic congestion, and pilots are required here. Work is in progress to deepen the navigable channel between St. Goar and Mannheim.

The Middle Rhine

The river between Mainz and Basle has not yet been completely controlled; diversion reaches still have to be constructed from Strasbourg onwards.

The Upper Rhine

River control in this section has been impeded by natural obstacles, especially torrents and waterfalls. A plan has been drawn up and adopted to regulate the river between Basle and Constance. The falls at Schaffhausen are a particular problem.

The tributaries

Nineteenth-century history dictated that the eastern tributaries, in Germany, would be most developed for navigation. In recent times, the division of Germany has resulted in the amputation of waterways and, on the West bank, improvements have been made.

The East Bank Waterways

The canalisation of the *Main* was taken as far as Bamberg in 1961 and construction works are in

progress to complete the Rhine-Main-Danube link on the Bamberg-Nuremberg section.

The canalisation of the *Neckar* reached Stuttgart in 1958, and this has led to the integration of the industrial economies of Baden-Wurttemberg and the Rhineland.

Running east from the Rhine are canals which link the *Ruhr* industrial area with the North Sea ports of Emden, Bremen and Hambourg, via the navigable rivers Ems, Weser and Elbe, and the city of Berlin.

To avoid a longer voyage and the shallow draught course of the Elbe a junction canal between the Elbe near Hambourg and the Mittelland Canal east of Hanover is being excavated.

In 1953 work was completed on a canal in the Netherlands joining the Rhine to Amsterdam and from there the North Sea Canal enters the sea at Ijmuiden.

The West Bank Waterways

The Rhône-Rhine Canal and Marne-Rhine Canal are small and unsuitable for present requirements. In 1963 the canalisation of the *Moselle* was completed between Thionville and the Rhine at Coblenz. This canal connects the industrial area of Lorraine with the Ruhr and the North Sea.

The Juliana canal, completed in 1953, connects the Meuse and the Sambre-Meuse steel area with the Rhine now that the out-dated Lanaye lock below Liège (known as the 'Lanaye Bottleneck'), which could only take vessels of 600 tons capacity between two waterways of 2,000 tons capacity, has been replaced by modern installations.

As the Meuse is now regulated for vessels up to the 1,350 tons class from the French frontier at Givet, it forms an excellent Rhine link via Venlo and Nijmegen. Several plans for linking Liège-Maastricht to the Ruhr have been suggested. It seems that attention is being devoted to the route from Born (near Sittard) to Neuss (opposite Dusseldorf) with a branch to the Aix-la-Chapelle-Heerlen industrial area.

Apart from the Moselle, the Rhine's links with France are poor. The French *Meuse* can only take barges up to 250 tons and shallow reaches on other rivers and canals prohibit links with the Paris region, southern France and the north-east of France.

II. Traffic on the Rhine

From the North Sea to Basle, barges carrying up to 2,000 tons of goods can navigate on the Rhine; the main links can take 1,350-ton vessels of the so-called European class, which require a draught of 2.5 metres. Nevertheless low water levels make it necessary to reduce the load carried by the vessels.

On certain sections, upstream navigation of the Rhine requires great tractive forces; one hp is enough to carry 6 tons up from Rotterdam to the Ruhr but is only enough to take 2 tons through the

Rhine massif and 1.5 tons along the Canal d'Alsace. This explains the specialisation of vessels on the various sections of the Rhine:

— on the lower Rhine chiefly trains of 2,000-ton barges ply, and these are towed by low-powered tugs of 500 hp.

— on the Middle Rhine ply chiefly self-propelled barges or trains of barges towed by high-powered tugs of 4,000 hp.

The increase in the number of self-propelled barges and the introduction, in 1957, of a system of push-barges (as used on the American Great Lakes) are recent developments.

The **commercial structure** of the Rhine transport system is extremely varied; individual owners operating their barges themselves are in the majority and this has often checked modernisation of equipment, as bargemen are never certain of immediately finding cargoes where they happen to be; they are reluctant to renew equipment that is not always in full use.

Three quarters of the Dutch and French fleets consist on small units operated by their owners. On the other hand, two thirds of the German fleet belong to large shipping concerns which themselves are owned by Ruhr industrial compagnies. The size of vessels on the German Rhine is directly related to the ownership pattern.

The deadweight capacities of the different national fleets are assessed in million tons at:

Netherlands 5.2 (potential Rhine fleet)

Germany 1.9 (fleet based on the Rhine basin,

excluding Main and Neckar)

Belgium 2.2 (total for national fleet)
France 350,000 (fleet based on the F

e 350,000 (fleet based on the Rhine basin)

Switzerland 465,000.

Rhine trade

The total Rhine trade comprises all goods which have been transported between Rotterdam and Basle-Rheinfelden. If the trade which is carried on only on the Dutch section of the Rhine is deducted, this gives the traditional Rhine trade, which alone was recorded before 1938, and thus comprises all the trade upstream from the frontier and all the trade across this frontier in either direction.

Total Rhine trade 1965	223	m.t.
• Trade solely on the Dutch section	72.3	m.t.
- trade between Dutch ports via the Rhine	56.3	m. t.
— trade between Dutch ports and Belgian or French ports via the		
Rhine	15.7	m.t.
— mixed trade	0.3	m. t.
• Traditional Rhine trade	151	m. t.

This is now expanding very rapidly compared with 1947 though as the table shows this expansion is far from regular.

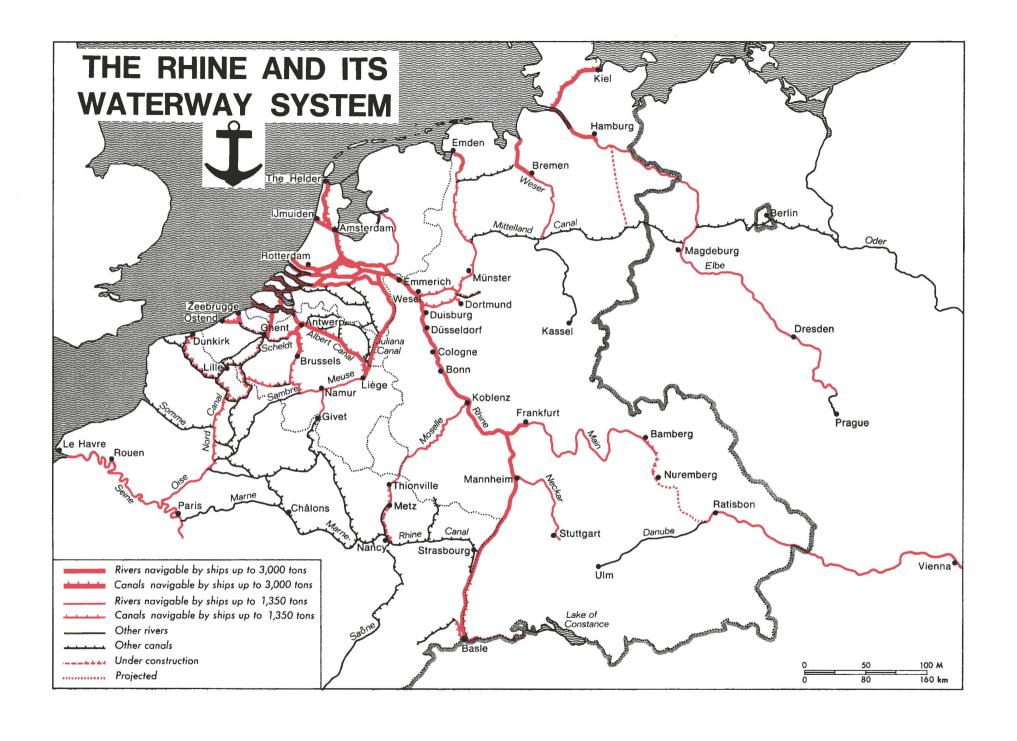


Table 1. — Development of Rhine trade in millions of tons

Year	Total Rhine Trade	Traditional Rhine Trade	Trans- Frontier trade (Lobith)	down- stream %	up stream %
1938	113	90	56	49.8	50.2
1947	40	20	8	57.7	42.3
1948	61	37	16	61.1	38.9
1949	70	43	21	61.9	38.1
1950	88	56	28	60.3	39.7
1955	137	95	50	35.6	64.4
1960	186	133	71	34.7	65.3
1961	189	133	69	36.5	63.5
1962	188	130	67	34.9	65.1
1963	187	132	67	34.1	65.9
1964	208	140	73	33.1	66.9
1965	223	151	81	34.8	65.2

The figures in the table reflect the effects of political, economic and physical conditions.

Variations of small magnitude were the result of periods of low water, a very cold winter and a poorer economic situation. Thus 1960 was an excellent year compared with 1962. Variations of greater magnitude are the result of serious economic crises and war. Thus trade on the Rhine was almost non-existent in 1945.

Changes in the distribution of trade flows

The importance of the international role played by the Rhine has increased less rapidly than that of its national role, i.e. trade on the Dutch section only or on the German and frontier section between Basle and Lobith. The weakening of this international trade is attributed to:

- reduced exports of coal
- the replacement of European exports of heavy products by light but extremely valuable finished products
- the increasingly large-scale conveyance of petroleum through pipelines. There are three pipelines, soon to be followed by a fourth, supplying crude oil to refineries which are functioning on the Middle Rhine
- instead of long-distance transport of crude oil, transport of refined petroleum products is developing on the Rhine over short distances between the refineries and the consumption centres: international trade, i.e. that across the Dutch frontier, now constitutes no more than half the traditional Rhine trade, whereas before the war it accounted for 60 to 70 %.

Changes in the types of goods carried

The Rhine used to be a great coal-trading river but now this trade is in decline:

- because European exports have ceased;
- because the development of the steel industry near to the North Sea, e.g. at Dunkirk, Rotterdam, Ijmuiden, and downstream from Ghent, has led to the import of coal, chiefly from the USA;

— because, since 1957, the Community's policy has taken account of the difficulties of the coalmining areas and has aimed at promoting the use of other sources of energy, such as oil, gas, and atomic power.

The Rhine has become an 'oil' and, above all, an 'ore' river as it receives ever-increasing amounts of iron ore from distant ports, in Mauritania, Brazil and Labrador.

The transport of cereals, foodstuffs and chemical products is also increasing in connection with changing food requirements and the diversification of industries in the Rhine Valley.

Upstream and downstream trade flows

Before the war the upstream shipment of ore, foodstuffs and petroleum products was smaller than the downstream shipment of coal and steel and chemical products.

Since the war the upstream traffic has become the more important of the two and this is clearly evident in the figures on this table.

Table 2. — Trans-frontier trade by product groups at Emmerich in millions of tons

Upstream			Downs	tream	
	1966	1967		1966	1967
Grains	3.0	3.5	Coal	5.3	7.8
Iron ore	17.4	18.5	Sand, gravel	13.9	16.5
		3.5	Stones, earth	2.0	2.4
Scrap metal	3.1	3.8	Cement	0.6	0.7
Coal	3.8	10.9	Fertilizer	2.9	3.1
Oil	10.5	0.7	Steel and		
Timber	0.8		steel products	5.2	7.6
Others	14.2	13.9	Others	5.3	6.4
	52.8	54.8		35.2	44.5
			I		

It can be seen that raw materials and energy products constitute the bulk of the upstream flow, while the downstream flow is more varied, comprising mainly finished products.

It cannot be inferred from the figures that trade is similar, and with the same breakdown, along the whole length of the river. From the flow diagram it can be seen that German Rhine traffic, i.e. from Lobith to Basle, comprises:

- very considerable upstream transport of coal;
- the virtual disappearance of iron-ore transport upstream of the Ruhr; ores are absorbed at the Ruhr, while the downstream shipment of Lorraine ores is still very small;
- a gradual slackening-off of trade further upstream.

III. The future of the Rhine

The regulation of a waterway network is never finished and the advantage of continuing work on the Rhine and the associated waterways has long been recognised. The future changes have two main purposes:

- to increase the stretches with utilizable depths and bring the whole of the Rhine, its tributaries and canal links at least up to the European standard (1,350 tons).
- to extend the Rhine area, i.e. to dig canals taking heavy traffic to connect the river with the Rhône, the Danube and the Seine.

However there are many obstacles to these developments:

- the national differences of opinion which, in principle, have disappeared under the Community arrangements: but the main project, the Rhine-Rhône link, also concerns Switzerland, which is not a member country.
- The technical difficulties may be considered of secondary importance, but the link with the Danube still presupposes the installation of shiplifts.
- The cost of the work is a more serious consideration and the idea of toll charges is gaining ground (it was adopted in the case of the Moselle).
- The opposition of other types of transport undertakings, which are afraid of losing some of their trade.
- The construction of oil and gas pipelines make this work less urgent.
- The towns, especially the ports, are engaged in local 'wars' which slow down the progress of the work: Dunkirk, for example, objected to the canalization of the Moselle and then asked for a canal for heavy traffic as far as Valenciennes which, along with the electrified railway between Thionville and Valenciennes, would enable it to keep some of the Lorraine trade for itself. Similarly, Rotterdam is opposed to the construction of a direct Antwerp-Rhine canal, which would undermine its supremacy and create competition.

The Rhine-Rhône link

As the old Rhine-Rhône canal no longer satisfies modern traffic requirements two alternatives were considered:

- a Rhine-Moselle link, a Moselle-Saône canal and the Saône-Rhône canal. Lyons would be 1,283 km distant from Rotterdam by water.
- a Rhine-Doubs canal link and a Doubs-Saône-Rhône link. Lyons would be 1,270 km distant from Rotterdam by water.

The accepted sheme incorporated the principle of the two links after a common route on the Saône, i.e. via the Moselle and the Burgundy Gap. It has been included in the Fifth Plan and it appears that it will only be put into effect very slowly.

The Rhine-Danube link

As the old Main-Danube, or Ludwig Canal, is inadequate for present requirements, two solutions have been suggested:

- a Neckar-Danube link from Stuttgart to Ulm.
- a Main-Danube link from Bamberg to Ratisbon (Regensburg).

The latter solution has been adopted and work, to be completed by 1972, is in progress. Ratisbon

is the present upstream terminus for larger vessels on the Danube.

The Antwerp-Rhine link

Antwerp's Rhine trade has always been handicapped by its poor links with the Rhine valley. There are two links:

- the link via the Zealand canals, which is long and dangerous because part of the canal is used by large sea-going vessels.
- the link via the Albert and Juliana Canals, which is even more circuitous.

Antwerp has long proposed two improvements:

- a direct canal through the middle of Zealand, chosen for the Delta Plan and cutting across the present link through the islands of Zealand.
- an extension of the Albert Canal to Cologne or Dusseldorf; as there are great technical difficulties, this extension is still at the planning stage.

The Paris Basin-Northern France-Rhine link

Until recent years the whole waterway network of Northern France was noted for its age, obsolescence and inefficiency. Considerable changes are now taking place:

- the North-Canal, work on which was begun in 1908, was opened in 1965, it takes vessels of the European class and provides a good link between Paris and the *Nord Departement* via the Oise and the Somme.
- The Valenciennes-Dunkirk canal, which forms a connecting link parallel with the Belgian frontier, is being converted to the European standard and the work should be completed by 1970.

A link with the Scheldt, and thence to the Rhine, should soon be established.

Conclusion

The 19th century saw the creation of the legal conditions to enable Rhine navigation to develop without being obstructed by frontiers; the principle of freedom of navigation on the Rhine had been propounded at the Congress of Vienna in 1815; the Convention of Mainz in 1831 and the 1868 Convention of Mannheim had formulated the international statute of the Rhine and set up the "Central Commission for Rhine Navigation" to settle questions of common interest.

The industrial development of the Rhine regions, and the advent of an economy based on commerce rather than self-sufficiency, gradually expanded trade and justified the agreement to make the Rhine available to all.

Today, the unification of Europe is leading to increased commercial activity, making it necessary to improve and extend Rhine links and giving rise to increasingly dense traffic. Gradually, the many obstacles which prevented the Rhine waterway network from being developed harmoniously as a whole are being removed.

The Quest for European Unity

The history of Europe is above all a history of war. But since the Middle Ages the hope has existed among thinkers and philosophers that Europe's internecine conflicts could be ended by creating international institutions capable of resolving by peaceful and lawful means the differences between nations. It is only in the 20th century, and in particular since 1945, that these ideas have taken concrete form in the various international organisations established.

The idea of community in the Middle Ages

On Christmas day, 800 A. D., Charlemagne was crowned as emperor in Rome with the title "Augustus, Emperor of the Romans". His asserted suzerainty extended over most of the western Christian world. Five centuries earlier the Papacy had claimed the spiritual leadership of Christendom, and in the West largely succeeded in establishing this claim. Empire and Papacy together were the political and spiritual leaders of the western Christian world; and despite practical disputes and doctrinal controversies, the vision and the claim were widely accepted and reflected in a single civilisation of thought, art and belief.

The Papacy exercised spiritual authority and jurisdiction over the property of the Church. By the "truce of God"—the agreement sanctioned by religion to limit the seasons and areas of fighting—the Church tried to give practical expression to the ideal of a peaceful and harmonious community and to mitigate some of the savagery of feudal warfare. In 1095 Pope Urban II launched the first Crusade; in doing so he diverted the fighting energies of the nobility from internecine warfare, and the western Christian world went to war united against the infidel and in the name of the Church.

Both in theory and practice the idea of Imperial unity was weaker than the idea of unity expressed by the Church; but in the controversies between Empire and Papacy the apologists of Empire made political claims for it parallel to the spiritual claims made on behalf of the Church. The attempt by the Emperor Henry IV (1056-1106) to assert the divine authority of monarchy and to depose the Pope failed, and a compromise, more favourable to the Papacy than the Empire, was reached at Worms in 1122.

The controversies between Empire and Papacy weakened both, culminating for the Papacy in its 'captivity' at Avignon (1309-1378) and the 'Great Schism' (1378-1417). The ground lost was not to be recovered and by the 16th century the Papacy was a protagonist in conflict: large areas of western Christendom rejected its spiritual as well as its temporal claims in the Wars of Religion.

The Empire too declined, partly as a consequence of internal conflict; and, as it declined, so the two future nation-states, England and France, gained in relative importance. The Hundred Years War between the two monarchies was waged without reference to Papacy or Empire.

It is in this period that we can discern the first attempts to find alternatives to the decaying papal and imperial systems in the idea of a Community of interest shared by all of Western Europe. Two proposals put forward advocated the deliberate formation of new institutions for the preservation of the peace to end the unrestricted warfare of the time.

Pierre Dubois, a French lawyer, in about 1310 presented to King Philip the Fair *De recuperatione terrae sanctae* advocating the establishment of a lay council (non-ecclesiastical) with powers of arbitration in order to try to prevent wars between the emerging national states.

King George Podebrady of Bohemia in 1464 accepted the proposal of Pierre Marini for a league of states to prevent aggression, with sanctions on those who refused arbitration. The King saw in such a plan a means to settle his conflict with the papacy and circulated to the King of Europe the project Congregatio Concordiae. Poland and Hungary accepted the plan, which was however rejected by Louis XI of France.

The emergence of the Sovereign State

The rise of the nation state—as a consolidated, independent, politically aggressive political unit—in the 16th century marked a decline in the European idea. Yet even then, in a different form, it survived. Historians have subsequently identified in the 16th century the effective origins of the balance of power, the semi-conscious groupings of the smaller states to prevent the predominance of any of the large ones. In its way this showed an incipient awareness of a community of interest.

However, from the 16th to the 18th centuries there was no supranational institution, even the shadow of one, which might exercise some measure of arbitration so as to mitigate international conflict. What projects there were derived more from intellectuals than from statesmen:

The French priest **Crucé** in 1623 published the Discours des occasions et moyens d'établir une paix générale et la liberté du commerce par tout le monde. He proposed a permanent assembly of ambassadors to sit in Venice and was one of the earliest writers to emphasise the importance of securing freedom of trade.

The De jure belli et pacis of Grotius, the Dutch jurist, published in 1625, proposed a body

in which disputes would be judged by states not involved. He emphasised the need for the rule of law in international affairs.

Sully's Grand Design of 1630 was unique among 17th century schemes in that it was advocated by an experienced statesman. (The idea is attributed to Henry IV, though is generally believed to be the work of his minister Sully.) It proposed drastic territorial readjustments in order to create 15 states of approximately equal strength in Europe directed by a council of 40 members, replaced every three years and meeting always in a different town. The council would have an army of over 100,000 men drawn from all member states to enforce its decisions.

The first English author of such a scheme was William Penn who in 1693, when in America, published the Essay on the present and future peace of Europe by the establishment of a European Diet, Parliament and State. Unlike earlier writers, he proposed that the voting in the European Diet should be weighted according to the population and economic strength of the members. The debates would be in Latin or French and decisions would be taken by a majority of 75 per cent.

Eighteenth century writers appeared to believe that warfare is absurd and therefore would disappear with the advance of human reason. Few of the philosophes therefore seriously considered its prevention. However, in 1713, the Abbé de Saint-Pierre chose to publish his Projet pour rendre la paix perpétuelle en Europe, after having been present at the signing of the Peace of Utrecht. Like Grotius earlier, the Abbé de Saint-Pierre emphasised the need for the rule of law; his European Senate would both lay down regulation and enforce their acceptance by force if necessary. Saint-Pierre was criticised by Rousseau because the initiative was to come from sovereigns and not from the people.

Emmanuel Kant, in the *Philosophical Project* for *Perpetual Peace* (1795), argued that laws must be in the interests of the people and proposed a 'federation of free peoples'.

Jeremy Bentham too laid emphasis on people rather than kings when in 1798 he wrote the *Principles of International Law* (not published until 1839). He proposed an international assembly, freedom of trade and the reduction of armements, but he did not put forward any means for their enforcement.

Popular sovereignty and nationalist movements

The French Revolution and the Napoleonic Empire changed the context of political thinking. The ideals in whose name the Revolution occurred had an international appeal. On November 19, 1792, the French Convention declared it would "accord fraternity and assistance to all peoples who wish to recover their liberty". This revolutionary appeal to the peoples of Europe made the monarchies of the ancien régime realise their common interest in their struggle to survive. Moreover Napoleon's empire was one of the most nearly successful attempts to unite Europe by force, and warfare had become more nearly total and more costly than it had been for centuries.

After 1815 practical attempts were made to give expression to a sense of common interest amongst governments, and ideal schemes continued to appear but in new forms.

Following the Congress of Vienna the major European powers tried to maintain peace through the settlement of disputes before they became serious. However, the powers themselves were divided.

The Holy Alliance, comprising initially Russia, Austria and Prussia, and later most Continental monarchies, was a strongly conservative force. Its avowed purpose was to bind the signatories to rule according to the principles of the Christian religion and to "remain united by the bonds of true fraternity, to lend each other aid, to protect Religion, Peace and Justice". It was largely the differences between Britain and the Continental powers over the liberal cause in Spain which led to the collapse of the congress system in 1822.

In the theoretical field, two of the more elaborate nineteenth century schemes were produced by Saint-Simon and Auguste Comte.

Saint-Simon in 1814 published De la réorganisation de la Société européenne, ou de la nécessité et des moyens de rassembler les Peuples de l'Europe en un seul Corps politique. These proposals reflect at an international level the sort of compromise which constitutional monarchy provided within an individual state: he proposed that Britain and France should form the core of the future united Europe, because, he believed, France had since the Revolution instituted the rule of reason and government

in the general interest, while English parliamentary institutions represented the only rational political system. The Parliament would have two chambers, one nominated by the "King of Europe" (a "political and scientific head" advised by a Council), the other elected by all literate citizens and representing all the major interests in society.

Auguste Comte in 1867, proposed a République occidentale comprising the principal countries of western Europe — France, Germany, Italy, Spain and Great Britain. The Netherlands, Belgium, Portugal and Greece would be associated and perhaps later also the USA. He also suggested a common currency.

Saint-Simon and Comte's political proposals, however impracticable, were at least consistent. Writers who advocated both nationalism within Europe and European unity faced a dilemma. Nationalism, inevitably, emphasised the uniqueness or at least the distinctiveness of each individual nation. On the other hand, nationalist movements in different parts of 19th-century Europe recognised their similarities of interest and aim and nationalist leaders projected on to Europe the same sort of millenial idealism which they applied to their own nations.

Giuseppe Mazzini founded in 1831 the Young Italy movement, and in 1834 he founded Young Europe. At Paris in 1847 he said, "A day will come when you, all the continental nations, shall form a superior unity without losing your distinctive qualities or your glorious individuality and you will constitute the European brotherhood." Later the incompatibility of his national and European ideals became apparent.

Socialists too were conscious of their community of interests. The slogan "Workers of the World Unite!" and the very name of the 'International' emphasised this.

Yet Karl Marx was never sufficiently interested in conflicts between capitalist states to turn his attention to their prevention. To him, this problem would vanish with the victory of the working class.

Proudhon, the French socialist thinker, saw clearly the dangers inherent in aggressive nationalism, opposed Italian and German unification, and advocated instead — in *Du principe fédératif* (1863) — a European federation based not on nation states but on decentralised institutions stretching from the smallest units through regional governments to the "federation of federations".

Before the First World War, Socialist politicians

suggested that the working class should refuse to fight in a war they would regard as merely a war between the bourgeois classes; yet on both sides the workers joined up and, with the exception of a few British Labour leaders, few politicians denounced the war or refused to fight.

The twentieth century

Optimism about a more rational conduct of international affairs appeared quite justified at the turn of the 19th century. In 1899 the first Hague peace conference was held, and the establishment of the International Court at the same city arose from its discussions. A second Hague conference was held in 1907 and worked towards a clarification of international law.

But the disaster of 1914-1918 shattered many of these hopes. Although the peace settlement of Versailles (1919) produced the League of Nations, it was at the same time a triumph for nationalism. In addition to the harsh terms imposed on the defeated nations, the principle of self-determination led to the creation of new states on 'national' lines in central and eastern Europe.

However, the financial and trading problems of post-war Europe revealed the economic interdependence of European states while the horror of war gave impetus to the vision of a European union which would prevent such wars in the future. Although it was a world-wide organisation, the League of Nations contained far more members from Europe than from any other continent (the USA never joined, and the USSR did not join until 1934); and the informal 'triumvirate' of the German Gustav Stresemann, the Frenchman Aristide Briand and the Englishman Austen Chamberlain helped to regulate international affairs during the later twenties.

Proposals for closer union were made during the twenties. In 1922 the Austrian Count Coudenhove-Kalergi proposed a pan-European union similar in some ways to the USA, and he founded the *Pan-European Movement* to further the idea. Seven years later French Foreign Minister Aristide Briand proposed a European federation to the League of Nations, which formed a study committee for European union. This met about ten

times, until the economic crisis and Briand's death in 1932 brought the plan to nothing. Nonetheless this was the first occasion when the idea of European unity was considered—however tentatively—in the field of practical politics.

The Second World War gave even greater urgency to ideas for European union. By the end of it, Europe was overshadowed by the USA and the USSR and it seemed to many that only a united Europe could reassert its independence. Two landmarks stand out in the five post-war years:

Winston Churchill's appeal at Zurich in 1946 for a United States of Europe and

Robert Schuman's declaration of May 9, 1950, fore-shadowing the creation of the European Coal and Steel Community, looked towards the formation of a united Europe not initially through political union but through economic integration. It led on to the creation of Euratom and the Common Market in 1958.¹

The concrete steps towards European unity, like many of their theoretical antecedents, had the two-fold aim of preventing inter-European war (or, at times, defending Europe against an external enemy) and freeing trade between European countries. Obstacles encountered have been the attachment of the individual state to its sovereignty—its supposedly untrammelled independence of action—and the difficulties of organising stable institutions which will be both effective and representative of the common interest of the peoples of Europe.

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¹ See European Studies No. 1: The European Community-historical background.

Manpower in the Common Market

The working population of the six member states of the Common Market is increasing only very slowly: it rose from 72.4 million in 1958 to 74.4 million in 1966. The trend towards longer schooling and earlier retirement, and the fall in female employment are the main features which explain the very slow growth, while in 1967 the low level of economic activity was an additional influence. The rate of advance is distinctly lower than that of the population as a whole, of which it amounted to 43.3 % in 1958 and 40.4 % in 1966.

During the period 1958-1967, the gross national product of the Community, at fixed prices, increased by an average of 5.5 % per annum, and productivity in industry and in the services sector increased on average by 4.5 %. Italy was the only country in which, except for the years 1964 and 1965, productivity approached a rate of increase of 6 %. In Germany and the Benelux countries productivity in 1966 and in 1967 remained below the annual average for the period quoted. The high growth rate of the gross national product (56 % in 1958-1967) as compared with Great Britain (33 %) and the United States (50 %) is not only to be explained in terms of technological advances and innovations, it is also due especially to better use of the available manpower.

The rapid development of production techniques and of demand, the rethinking of economic organisation and data, and also the uneven development of various regions, all lead to increasing mobility of labour both geographically and professionally. It is therefore important that the labour market be reorganised and that the Community coordinate national efforts. One of the most important social aspects of the work undertaken by the Community is the encouragement, in accordance with articles 48 and 49 of the Rome Treaty, of the free movement of labour within the Common Market.

Table 1 Working population
Year 1966 (in thousands)

Country	Working population	At work	Men	Women	Wage and salary earners %	Self- employed* %
Belgium	3,703	3,684	2,455	1,148	76	24
France	19,814	19,534		_	74	26
Germany	26,762	26,601	16,811	9,790	80	20
Italy	19,477	18,708	13,630	5,078	62	38
Luxembourg	140	140	<u>-</u>	_	74	26
Netherlands	4,480	4,435	_		81	19
UK	25,819	25,538	16,643	9,176	92	8

^{*} Mainly family workers in small businesses and farms. (Sources: Statistical Office of the European Communities; Board of Trade.)

Manpower and its distribution

A. The fact that emerges most clearly is the continued decline of the proportion of agricultural workers in the total labour force. This development is closely linked with the increasing rationalisation and mechanisation of agriculture. During 1958-1966, the number employed in the agricultural sector fell by one quarter in Belgium, Germany, France and Italy. In the Netherlands the decrease was less marked owing to the high degree of productivity already reached in the agricultural sector.

Italy has 24 % of its total working population employed in agriculture, France 17.4 %, Luxembourg 12.9 %, Germany 10.7 %, the Netherlands 8.7 % and Belgium 5.6 %.

B. The decline of the working population in the agricultural sector, which amounts to approximately 400,000

people per annum, is accompanied by a steady drop of the percentage of non-wage earners in the total labour force. In the countries of the Community this proportion lies somewhere between 19 and 26 %.

In Italy the proportion exceeds 38 %, due to the importance of the agricultural sector employing to a large extent family labour.

- C. Labour mobility is an inevitable result of economic development.
- Some industries which developed in the course of the industrial revolution of the 19th century and which only a few decades ago still represented the pillars of the Community, are now in decline (coal and iron) or are experiencing serious difficulty in adapting to new conditions (steel, ship-building, textiles and paper).

The figures of men employed in the industries of the European Coal and Steel Community are significant in this

connection. They fell from 1,229,600 at 30 September 1966 to 1,127,200 at 30 September 1967, or a fall of 12 % for coalmining, 13 % for iron-ore mining and 4.1 % for the steel industry.

• Local geographical difficulties must be cited in regions of industrial under-employment, linked with the movement from the land. If regional industrialisation is not based on a solid infrastructure with a variety of industrial enterprises as well as service undertakings, the situation of the labour force in these areas will remain precarious.

• The movement of labour, more strongly marked in arduous or disagreeable work, is towards expanding sectors, especially mechanical engineering and electronics, and the

services, notably trade, banking and insurance.

Mobility brings with it severe psychological difficulties, since the very considerable changes occurring in social or professional status often have unfortunate results: retraining frequently involves loss of status, and the problem of qualified personnel up against the age limit has not yet been satisfactorily solved.

1. The labour market

Since 1966, the supply of labour has been easier. This has been especially noticeable in Germany and the Netherlands where the previous years had been marked by a severe shortage of labour. In Belgium and France likewise there has been a noticeable easing. Luxembourg has enjoyed full employment for a long time and there has merely been a lessening of the gap between demand and supply.

The slow-down in the rate of economic growth experienced in 1966 in a number of the member states of the Community, continued to affect the labour situation in 1967; it brought increased unemployment, together with a

falling off in demand for labour.

While over the whole period 1958-1967 unemployment fell considerably in the Community as a whole from 2.75 million to 1.7 million, the number of unemployed rose from 1,440,000 in October 1966 to 1,800,000 at the end of 1967 (an increase in all the countries of the Community except for Italy). Besides total unemployment, there has also been an increase in short-time working.

In Germany, the economic downturn felt in the summer of 1966 continued during the first half of 1967 (in February 1967, the number of unemployed reached 673,000, or 3.1 %). Towards the middle of 1967, however, this trend came to an end and there was a drop in the number of unemployed. Regional variations, which were accentuated by the downturn, persist. The effects of slowing down were clearly seen in coal mining, but also in building and in manufacturing industry. On the other hand, there was a slight increase in employment in the various service sectors.

In Belgium there has been a steady observable increase in unemployment since the beginning of 1965, accelerating since the end of 1966. The monthly average of insured workers totally unemployed rose from 55,400 in 1965 to 85,300 in 1967. In January 1968, the number of unemployed increased to 114,500, or 3.07 % of the working Unemployment increased especially in the fields of mechanical engineering, mining and textiles. these industries are located in certain regions the increase in unemployment shows clear regional differences. percentage of total unemployment is at present equal to the figure for 1958.

In France, the economic slow-down began in the autumn of 1966 and lasted through the first half of 1967. As a result of this, the increase in employment slowed down during the first eight months of 1967. From August 1967 the trend was reversed, and the total number of unemployed increased. The situation has been especially poor in all branches of activity connected with private consumer industries. At the beginning of 1968, the government took steps to revive the economy.

In Italy, production in 1967 rose almost as fast as in the preceding year bringing about a fresh increase in the numbers employed in industry. Only in agriculture was there a noticeable fall (2.4 %) in the total employed. Although there was a certain increase in the available working population in 1967, there was, for the first time since 1963, a substantial reduction in unemployment.

In the Grand Duchy of Luxembourg, labour has been in short supply for a great number of years; since there has been permanent full employment, the shortage of workers has necessitated massive recruitment each year of foreign labour. The noticeable slowing down of economic expansion occurring in the Grand Duchy in 1966 led to a falling off in demand for labour and a relatively limited increase in unemployment. As a result, the number of foreign workers entering Luxembourg was much lower in 1967

In the Netherlands, development has been similar to that in Germany. Thus, for the first time since 1958, the number of wage earners has fallen slightly. For men, the rate of unemployment which was around 0.8 % in May 1966 rose to 2.2 % (or 61,000 unemployed) in May 1967. At the end of January 1968, the number of unemployed was some 112,300. The situation on the labour market has varied greatly from province to province. In the province of Limbourg the position has been additionally affected by the reduction of work in the coal-mines (rate of unemployment = 5.4 % at the end of 1967); and similarly in the province of Overijsel, where there are a great many textile concerns (rate of unemployment at the end of 1967 = 4.0 %).

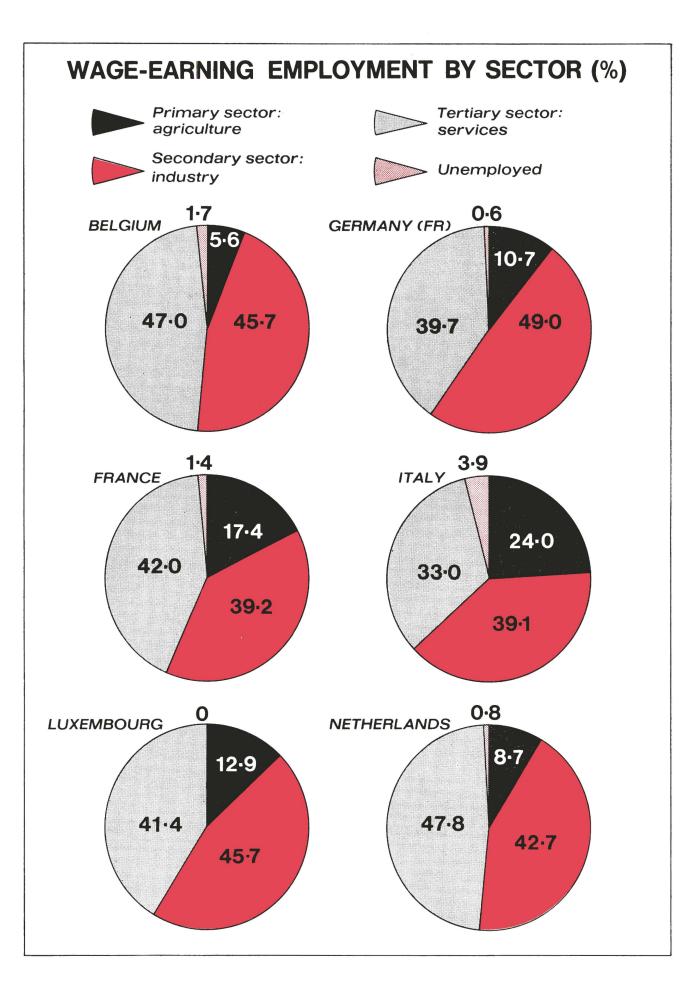
Unfilled vacancies Table 2 Annual average number of unfilled job vacancies 1965-1967

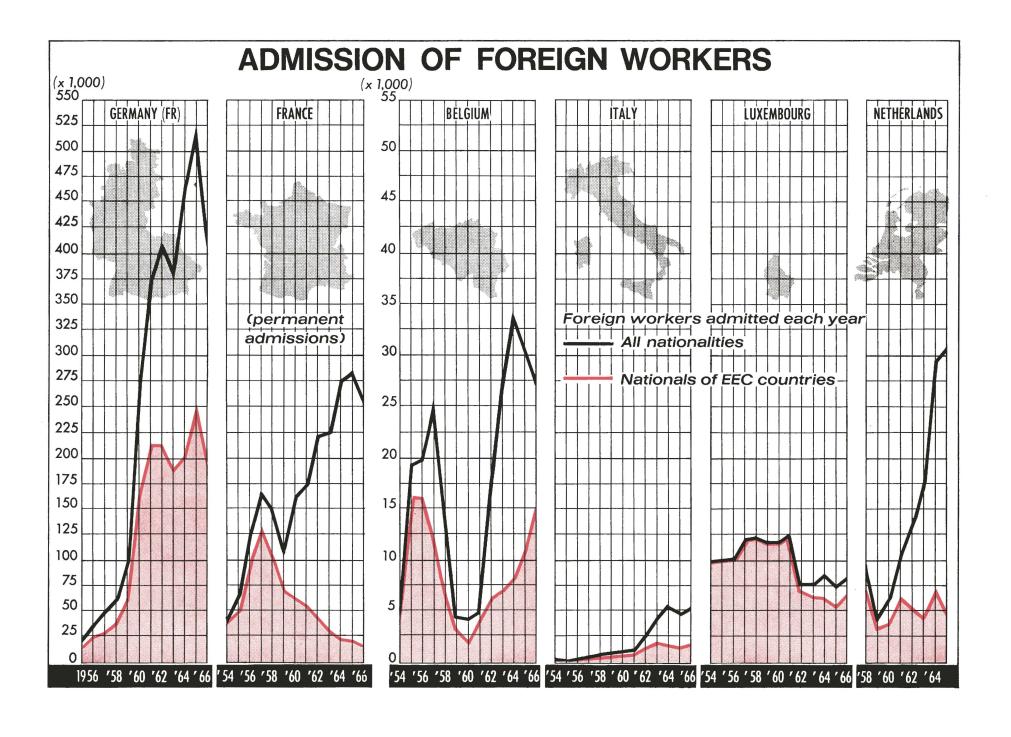
Country	1965	1966	1967
Belgium	8,500	7,500	4,400
France	29,300	38,200	31,800
Germany	649,000	539,800	302,000
Italy	600	700	1,300
Luxembourg	700	500	400
Netherlands	129,200	114,900	68,200
Total	817,300	701,600	408,100

Unemployment Table 3 Annual average number of unemployed 1965-1967

Country	Number of unemployed					
	1965	1966	1967			
Belgium	63,000	67,000	92,000			
France	269,000	280,000	367,000			
Germany	147,000	161,000	459,000			
Italy	721,000	769,000	609,000			
Luxembourg	0	0	0			
Netherlands	35,000	45,000	86,000			
Total	1,235,000	1,322,000	1,693,000			
UK	270,000	253,000	463,000			

⁽Sources: Statistical Office of the European Communities; Board of Trade.)





In addition to economic factors, the entry into working life of the generations born after the war has contributed to the elasticity of the labour market. The increased pace of mergers, and the restructuring of the economy in recent years has led to a rationalisation and a reorganisation which have generally resulted in slowing down the growth in demand for labour.

At the same time there has been a movement of the self-employed working population towards paid employment, which can be ascribed both to the influx of foreign workers and to a movement from the agricultural to the industrial and service sectors. It should be noted that the opportunities for employment have increased in the service sector relatively more than in industry.

The slowing down of economic activity is reflected on the labour market in a reduction in the number of jobs offered by employers, by a reduction of working hours, by total or partial unemployment and by a falling off in the recruitment of foreign workers. This accounts for the fact that the total figure for offers of work not met in the Community, which was more than 800,000 in 1965, had fallen considerably by 1967. At the same time unemployment has increased in most of the member states, except for Italy, where there has been no recession and where the number of unemployed has sharply decreased in spite of the return of Italian workers previously employed abroad.

Reservations regarding the statistical data

The definition of unemployed varies from country to country and the figures are not therefore in the strictest sense fully comparable. For example, in some but not all countries the figures include workers given temporary work by the employment services. But they are sufficiently accurate to give a general overall picture of the unemployment situation in the Community.

2. Regulation of the market

A. Employment services and occupational training

In all the countries of the Community, the *employment services* are entrusted to specialised bodies in the public sector. Their chief task consists in ensuring optimum use of available labour. The fact that the work done by the employment services in the six member states achieves a very high standard of coordination is without doubt ascribable to the meetings and recommendations of the International Labour Office (ILO). There is everywhere a growing tendency to study the labour market more carefully, to discover as soon as possible any changes likely to occur in it, to forestall unemployment through recourse to selective measures and to put an end to the shortage of skilled labour. In all the countries the balancing of supply and demand for work has ceased to be regarded as a quantitative problem and constant efforts are made to improve the mechanisms for fitting supply to demand for

manpower in such a way as to satisfy better and better the social and economic requirements arising from technical advance and professional specialisation. If, at first, the efforts of the employment services were entirely directed towards combatting the poverty and wretchedness resulting from unemployment, at the present time they are mainly concerned on a social level with maintaining and if possible improving the standard of living of the workers, and of developing to this end their professional skills and easing their entry to the job offering the best prospects. Everywhere, the employment services are stepping out of their narrow local limitations and concerning themselves with balance and employment on an international scale.

In the same way, great importance is now attached to the work of vocational guidance. The employment services of the member states collaborate closely and exchange information and experience. Those seeking employment are also able to obtain information on opportunities for occupational training at all levels and thus improve their competitive capacity in the labour market. We must emphasize that such consultation, often followed up with financial help, is not open only to the unemployed but also to people in work who are interested in professional advancement or a change of job.

B. Migration of labour

Countries with a widespread shortage of manpower or with local shortages (difficult work and labouring work) generally have recourse to *foreign labour*.

The relative importance of foreign workers lies in the percentage they form of total salaried employment. If we wish to discover their real importance, we must find out what part they have taken in the increase of the total number of those employed. In this connection, Italy occupies a special place, since its reserves of manpower contribute in great measure to the supply of labour to the other countries of the Community.

Table 4
Foreign workers as % of total working population

Year	Belgium	Germany	Luxembourg	Netherlands
1958		0.65		0.99
1959		0.84	_	0.69
1960		1.37		0.76
1961	5.82	2.28	21.6	0.86
1962	5.80	1.99	22.7	0.96
1963	6.02	3.63	23.0	1.12
1964	6.56	4.19	24.9	1.48
1965	6.98	5.12	26.9	1.77
1966	7.06	5.69	27.7	2.11
1967	7.00	4.76	_	

N.B. Data for France and Italy not available.
(Source: La libre circulation de la main-d'œuvre et les marchés du travail dans la CEE, 1968.)

Table 5 Number of work permits issued to new immigrants in 1967 (1)

		change				From EE	C countries			
Country	Total	from 1966 %	Total	change from 1966 %	В	F	G	ı	L	N
Belgium	11,772	-19	5,957	-15	_	1,997	848	3,112	_	_
France	81,866	-18	10,212	-14	429		1,240	8,256	15	272
Germany	104,513	-69	49,061	68	439	3,116	_	43,207	82	2,217
Luxembourg	2,349	-60	2,034	47		707	465	862	_	_
Netherlands	14,001	-46	4,179	+17		1,223	1,927	1,029	_	_

(1) 1st nine months

(Source: La libre circulation de la main-d'œuvre et les marchés du travail dans la CEE, 1968.)

Compared with 1966, 1967 saw a considerable reduction in the number of work permits issued, especially in Germany and Luxembourg. In the Netherlands, although, in total, there was a considerable reduction in the number of foreign workers, there was in 1967 an increase in the number of foreign workers coming from other member countries of the Community. As people moving between the three Benelux countries do not require a work permit, it is not possible to get statistics on the free circulation between these countries. As far as France is concerned, it must be remarked that the statistics do not take into account permits issued to seasonal workers from abroad. In addition, Algerian workers do not require permits. The number of workers in Italy is very low (2,527), this being essentially an country of emigration.

A single figure suffices to illustrate the rapid growth of the number of foreign workers admitted to the Community during the period 1958-1965. Whereas in 1958 the total number of permits issued in the Community was some 181,500, of which 125,800 were issued to workers coming from member states, the figure for 1965 is 885,670, of which 300,175 were issued to workers from member states. Following the slowing down of economic activity in the Community, the recruitment of foreign workers has fallen considerably since 1965. This reduction has been even

more marked in 1966 and 1967 (see table 5).

Whereas the principal movement of migrant workers within the Community is from Italy to Germany and the Benelux countries, most of the much larger number of Spain (35,000 Jan.-Sept. 1967, mainly to France), Portugal (38,000, mainly to France), Yugoslavia (26,000, mainly to Germany), North Africa excluding Algeria (24,000, mainly to France), Turkey (17,000, mainly to Germany) and Greece (8,000, mainly to Germany).

Collaboration within the Community

A. Coordination of national statistics on manpower and unemployment

One of the main tasks of the Commission is the harmonization of the statistical methods used in the different countries. As we have seen above, the unemployment documentation and statistics gathered in the various countries of the Community unfortunately still vary very widely. The Community needs to have at its disposal correlated statistics for the whole of its area in order to follow the development of employment, given the economic fluctuations and the data concerning population, and in order to be in a position at any moment to estimate the possibilities of achieving a better balance on the labour market.

B. Training young workers

The Commission of the European Communities attaches particular importance to occupational training. As required by the Rome Treaty, the Community adopted in 1963 a set of common policy principles. On this basis, the Commission has drawn up a general action programme and a special programme for the agricultural sector.

The aim is not, of course, to alter existing national structures as they have developed through the course of history. But it is important that differences should not run counter to the objectives of the Community's programme.

C. Retraining workers threatened with redundancy

Finance is available through the ECSC readaptation fund and through the EEC's European Social Fund to improve employment possibilities and to facilitate geographical and occupational mobility of labour. The two funds, both administered by the Commission, repay 50 % of expenditure incurred by the member governments on approved retraining and other schemes. The resources of the funds can be used for the retraining of unemployed workers, the placing of unemployed men in new jobs (removal expenses, and so on), and compensation for loss of earnings during modernisation of plant. The ECSC readaptation fund, available only for helping workers in the coal and steel sectors, can be used for retraining workers before un-employment occurs. The ECSC can also make available funds to attract new industry into problem areas and to help finance workers' housing projects. The Commission has made proposals for revising the statutes of the European Social Fund so that it too can intervene in these fields, particularly in industrial redevelopment and in-work

By the end of 1967 the ECSC readaptation fund had made available \$98 million to help 324,000 workers, and the European Social Fund \$54 million to help 553,000 workers. The ECSC has also contributed \$104 million towards industrial redevelopment projects and advanced \$240 million (out of a total cost of \$1,023 million) for the construction of 102,000 dwellings.

D. The free movement of workers

The essential element of the free circulation of workers, which falls under the wider head of the free circulation of persons, consists of the right of everyone coming from any member state of the Community to work on the territory of any other member State (Article 1 of Regulation no. 38/64). It follows that any worker may respond to an offer of work within the Community. The free circulation of workers implies that abolition of all discrimination, and especially discrimination on grounds of nationality, be-tween workers of member states. After passing through two transitional stages, full freedom of movement became possible on July 1, 1968, eighteen months before the date prescribed by the Treaty. A worker in any Community country can now accept a job in any other member country and must be given the necessary permit as of right. Once in his new country he is guaranteed equal legal and trade union rights. He may of course bring his family with him. Both he and his family are entitled to full social security rights, and contributions he pays while in his new country will be credited to him when he returns

E. The European Investment Bank

The European Investment Bank was set up to promote balanced and even economic development in all sectors of the Community. Its prime function is to finance projects aiming to provide fresh employment. Owing to the work of the Bank, it is possible to apply economic and social measures in the less developed regions, especially in the sphere of the labour market. Since its foundation in 1958 up to December 1, 1967, the Bank has signed 166 loan agreements for a total sum of \$865,1 million.

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