OCTOBER 1967 NO. 106

european community

COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM

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The views expressed by contributors do not necessarily reflect the policies of the European Community.

EXPANSION OF THE COMMUNITY—the development and completion of needed common policies—the formation of a new, unified and healthy administration—can these and a myriad of other divergent tasks all be handled simultaneously? This would seem to be the almost impossible task now facing the new Commission of the European Communities.

Jean Rey's "state-of-the-Union" address to the European Parliament gives a quick but impressive survey of the many challenges facing Europe, the Community, and the Commission. His address expresses confidence that the many jobs can and will be done. In this month's issue of European Community, articles on social security and on Malta's application for ties with the Community reflect two aspects of the tasks remaining to be done. Community News items also mirror Europe's concern with its own social, economic, and political development and with the strengthening of Europe by building on the nucleus of the Six.

COVER: Jean Rey, President of the European Communities Commission, addresses the European Parliament.

EUROPEAN COMMUNITY is published monthly in English, French, Italian, German, and Dutch by the offices of the European Community Information Service. Subscriptions can be obtained from the European Community Information Service.

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New York, N.Y.: 155 East 44th Street, 10017
London: 23 Chesham Street, SW1
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Jean Rey, President of the European Communities Commission, made his first appearance as chief executive of the Communities before the European Parliament in Strasbourg, France, on September 20. In an address similar to a "state-of-the-Union" message, he outlined the priorities and the policies which the new Commission plans to pursue during its term of office. Highlights of his address are printed below and on the next two pages.

Rey Outlines New Program

THIS IS HOW, all in all, I could sum up our program: to go ahead with all the existing policies, to merge our administrations and Treaties, to co-operate in and contribute to the extension of the Communities, and to undertake the new tasks for which the merger has been designed. This statement, however, would be incomplete if I failed to affirm—and I speak also on behalf of my colleagues—that our Communities and Europe are in need of a fresh political *élan*. We believe that the merger Treaty and the opportunities it offers can be instrumental in providing this *élan*. I should like to remind you that the preamble of the merger Treaty itself opens with the following phrase, which was adopted by our six Governments and ratified by our six Parliaments: "Resolved to progress toward European unity . . ."

Major Challenges in Each Community

The Treaty of April, 1965, requires us to carry out all the duties, all the tasks previously carried out by the three individual Executives. We are well aware of the importance, and, in some cases, the gravity, of the problems we have to tackle in each of our three Communities.

- In the Coal and Steel Community, quite apart from the difficulties now besetting the iron and steel industry in Europe, we face a coal crisis, to which all of us will have to devote fresh and major efforts.
- Our Governments are far from agreement on the future work of the European Atomic Energy Community, so that it has not been possible so far to work out and adopt the 1967 budget. There is still wide disagreement among the Governments on Euratom's third research program. In the months ahead we shall have to review these problems, both within the Commission and with the Governments, in order to produce proposals acceptable to all.
- As for the European Economic Community, the customs union is almost complete and now we have to continue the policy of building the economic union itself. We can be satisfied with certain sectors where good progress has been made, for example, the recent decisions on harmonization of taxes. In other sectors, such as transport and the common commercial policy, progress has not been as rapid as it should have been.

I would like to stress our special interest in the social field. We are convinced that in the past—despite the remarkable work done in Luxembourg—our Communities have not made enough progress in social affairs. We are impatient for a new impetus to be given to social progress.

At the same time, we must continue the negotiations already in progress with other countries. We must try to reactivate the negotiations with Austria, which are at present rather in the doldrums—but not, I hope, for long. We must see that the talks with the Maghreb countries are revived; these have never actually been abandoned, but should have progressed faster. There is, too, a fresh problem: the agreement that should be concluded with Israel when our trading agreement expires. And we should not only continue and develop our association with the African countries but, if possible, extend it to include other countries.

Extension and Merger of Communities

Concerning the extension of the Communities, the Council of Ministers has instructed us to render an opinion* on this issue in accordance with Article 237 of the Treaty of Rome. Two ideas have guided us in our work. First, we considered that we, as the Commission, ought to provide our Ministers with a positive contribution to the study of the internal problems that extension raises for the Communities. Choices will have to be made. Nobody expects us to produce solutions here and now, for these, of course, can be found only after negotiations; but we can at least make suggestions, throw out ideas, offer guidelines. We have endeavored to do this in a constructive spirit, for we are fully aware that the extension of the Communities—an aim of all three Treaties—would be a great advance towards the establishment of the continent of Europe.

Our second principle has been that the Communities must not be enlarged at the expense of its power, its drive; these must in no circumstances be impaired.

Concerning the merger of the Communities, the Brussels Treaty covers two kinds of problem: the merger of the three Executives and our administrations and the merger of the Treaties themselves. We began merging the administrations in July, allocating the responsibilities of the fourteen members of the single Commission. Then we set to work to recast the administrations, beginning with the Directorates-General, which, with their departmental heads, are to be the framework of our unified Community administration. A good start has been made. The task is a difficult one but we do not intend to allow our merger problems to delay work on any of the policies for which we are responsible; the two operations will proceed side by side. What we have done in July and September has already made this clear.

The merger of the Treaties raises a number of technical problems which are not insoluble but are certainly complicated. Our three Treaties are not the same. The latter two benefited from the experience gained with the first, but they may have suffered from a political climate which was no longer quite what it was in 1950-51. Moreover—and this is a more delicate area—political choices will have to be made. A number of our Governments regard this task as urgent, given the amount of preparatory work which will be necessary. Negotiations will be required between the six Governments. Once the single Treaty is approved by them, it will have to be laid before the Parliaments for ratification and, according to the Treaty of April 8, 1965, the whole operation must be complete within three years at latest!

Again, there are some who feel, perhaps rightly, that there may be some interplay between the internal merger problems and the negotiations on the extension of the Community and that work on the Treaties should accordingly be begun without delay. Our Commission intends to work fast in the coming months and to place before the Ministers our preliminary suggestions for the lines along which solutions might be sought.

New Priorities

As everyone realizes, the planned merger of our Communities, or the merger of the Executives pending the merger of the Treaties themselves, gives us all new opportunities, which must be seized straight away, either of undertaking new tasks or at least of giving greater impetus to those already under way.

- The first is a more systematic study of the industrial policy to be pursued in our Community. We have all given—and rightly, to my mind—a high degree of priority (as is required both by the Treaty establishing the European Economic Community and by the policy itself) to the construction of the common agricultural policy. Our work has been successful. Now, with this new stage, the time is ripe to go more deeply into the problems raised by European industry, which is faced with a new large market inside the Community and keener competition from outside.
- The second task that I wish to mention is the elaboration of a common energy policy, a policy for which we have all called

* The Commission delivered this opinion to the Council of Ministers on October 12, 1967. The next issue of European Community, covering November and December, will contain the official translation into English of the concluding section of the report. In the interim, a limited number of copies of the official resume of the report in English and the translation of the concluding section will be available at the Washington office to fill requests.

so often. It was difficult to achieve while there were three separate Executives—where responsibility for coal fell to Luxembourg, for nuclear energy to Euratom, and for oil to the EEC. The concentration of responsibilities will unquestionably give us an opportunity to move much faster. May I suggest that the same point applies to the Ministers? The single Council of Ministers we now have is, in my opinion, a distinct improvement.

- The third task concerns a European research policy. Everybody agrees that it is time to seek out practical remedies to Europe's lag.
- The fourth task that I want to single out is regional policy. while recognizing the substantial achievements of our predecessors in Luxembourg and Brussels, we feel that there is still much to be done. Not all possibilities have been explored and not all necessary measures have been put in hand.

New Political "Elan" from Merger

To achieve all this, we came to the conclusion that we ought to entrust each of these tasks to one of our colleagues, these being new or expanding fields calling for a major effort. We also decided that we ought to endeavor to ensure that new, or at least expanded, administrative units should be able to devote themselves more exclusively to the four big tasks I have just listed.

The merger is far more than a mere rationalization of administrative departments or a harmonization of the three Treaties negotiated at different periods; it is also one of the means, one of the stages, leading to European unity. In speaking of a fresh political *élan,* I am thinking of two fields in which progress is possible. The first is a strengthening of the Community's policies and, if possible, of its institutions. We in the Commission are convinced that, without relinquishing any of our responsibilities, powers, or authority, we must make arrangements for more personal and more constant cooperation with the Governments of the member states, not only with the Council of course, with which we meet regularly, but—I wish to repeat this—with the member Governments themselves.

I shall give two examples from the recent past. My friend Mansholt, Vice President of the Commission, would never have succeeded in building up and carrying through the immense effort needed to construct the common agricultural policy if there had not been constant personal contact with the six Ministers of Agriculture who, in the six countries, were responsible for taking the political decisions required by the Treaties.

In the Kennedy Round, which was concluded recently, we should never have achieved success, despite the assistance and technical skill of my colleagues and delegation, if I had not during the final weeks and days gone in person to discuss matters in Bonn, Paris, Rome, and the Benelux countries to be sure I enjoyed sufficient support to be able at the decisive moment to assume the responsibility for difficult decisions.

These are examples that ought to be followed. We have decided that, as a beginning, I should make a tour of the capitals of our six members states—not alone, of course, but with one or other of my colleagues depending on where I should be going. My first visit—to Bonn—took place the day before yesterday. I shall be going to Paris in the first half of October, to Rome in the second half, and to the Benelux countries early in November. I have already visited the Luxembourg Prime Minister Pierre Werner.

Once this round of visits is over, our intention is certainly not merely to repeat it at fixed intervals. We want to maintain these personal contacts between our merged Executive and the Governments of the member states because we are convinced, from experience, that in this way we shall be able to get progress made on problems where there are differences of opinion within our Council. Might I then say—modestly but clearly—that we hope that the Commission's attitude will be reciprocated by the Ministers.

"We Do Not See Ourselves Merely As Administrators"

The second aspect of the fresh political *élan* we hope to see is the progress of what is called political union. Many times, from this same rostrum, my predecessor, Walter Hallstein, and other political leaders have emphasized that the task facing the Communities is already essentially political in character. This goes without saying. But you know that in other places other political problems are being discussed, and that our Governments have been discussing them for six years. Despite six years of negotiations there is in 1967 no consensus between our Governments either on means or on ends.

We deplore this situation because we could reach a point at which there would be a dangerous inconsistency between the growing strength of our Communities in the world and the acute political disagreements persisting between our Governments. As the Commission of the European Communities, we shall have to devote some thought to this problem and see whether we cannot make suggestions to our Ministers, elsewhere than in a public forum, which would enable progress to be made.

We are perfectly aware that our task, the task of us all, is to achieve not only the economic unification of Europe but also political progress. We intend to be in a position to make decisions rapidly. So far, we have succeeded in doing this. We do not see ourselves merely as administrators of the Community; we are also there to provide inspiration. It would be fatal to ignore the anxieties that one hears expressed outside this Parliament, in particular the anxiety of our general public on finding that there are still so many disagreements either between Community policies and the policies followed by Governments, or between the Governments themselves.

The experience of our American friends two centuries ago is also highly relevant to our situation today. They adopted their Declaration of Independence in 1776. Twenty-five years, a quarter of a century later, the violent dispute between the Jeffersonians and the Federalists broke out. The former supported the third President, Thomas Jefferson, who argued that because the Union had been made by and in the interest of the member states, where the interests of the member states conflicted with those of the Union, the interests of the member states should prevail.

Arrayed against the Jeffersonians was the outstanding group of Federalists, who retorted: the Union will never be anything if the general interests which it embodies cannot prevail over the particular interests of the member states, however worthy, however legitimate these may be.

I do not need to tell you what the outcome of that dispute was.

Social Security: Too Little and Too

"WHAT'S WRONG with the House-passed social security bill [H.R. 12080]?" asked the AFL-CIO News on August 26. The official weekly newspaper published by the American Federation of Labor and Congress of Industrial Organizations immediately replied: "The omnibus measure provides too little for too few who have the greatest need." The adequacy of current social security and welfare provisions and the distribution of financial responsibility for them are being examined today by labor, government, and business throughout the industrialized world. What are the needs of society today? Should the heaviest responsibility to fulfill these needs fall on government, employers, or individuals?

These are essentially the same questions that were asked eighty-four years ago when the Federal Republic of Germany enacted the first social security and welfare law of modern times, for maternity and health insurance. They arose again—in Germany and in the other countries that followed the German example—with each extension of the state's concern for the welfare of its citizens into new areas of protection: unemployment, disablement, and other causes of income loss. Twenty-two European countries had systems similar to Germany's by 1935, when the United States passed its first social welfare protection legislation, the Social Security Act.

Parallel Trans-Atlantic Developments

As social security developed, events in Europe continued to anticipate similar events in the United States by several years. General goals of social security were similar on both sides of the Atlantic, but no two countries used the same means to attain them. A look at six European countries' current systems and the European Community's endeavors to harmonize them reveals still as many basic differences among the Six as between the Six and the United States.

The European countries found that actuarial principles were effective guides to long-term planning of financing social security. The U.S. Social Security Act also relied heavily on this method and provided for a close link between a beneficiary's earnings, the benefits he would receive, and his own contribution. An exception was that for persons who could not qualify for pensions, because of their age, employment history, or other reasons, the Act provided for outright grants. These were to be gradually phased out as the system developed. This section of the Act was to be administered from Washington, unlike the other sections which divided financial and administrative responsibilities between the Federal Government and the states.

Three Community members also make exceptions to the principle of providing services in proportion to contributions. For widows pensions and retirement benefits, the Netherlands waives this principle. Luxembourg and Germany do so for family allowances.

Coverage, in the United States as in Europe, was initially limited to a few occupational groups and was gradually extended to the majority of the working population. However, neither the United States nor the Community governments today attempt to provide universal coverage—each excludes some occupational groups. Coverage, both in the United States and the European Community countries, has also been expanded gradually to protect against a greater variety of causes of loss, reduction, or lack of income. All Community members now have compulsory insurance plans in all nine areas enumerated in the International Labor Organization's Convention 102: medical care, sickness, maternity, disablement, old age, death, employment injuries and occupational diseases, unemployment, and family allowances. All also have special plans for farmers, miners, artisans, and other groups of self-employed persons.

Some Differences

Here, some of of the basic differences between the European and American systems begin to emerge, in concept as well as in administration. Americans, though "protected" in each area recommended by the ILO Convention, are not always compensated in cash or other statistically measurable direct payment. The United States depends more on the personal income tax than on outright social security and welfare payments to redistribute income and provide for its citizens' well-being. Thus, while European parents receive family allowances, American parents receive tax exemptions and deductions. (Germany grants tax relief in addition to paying these allowances.) American tax laws also recognize numerous other exemptions and deductions for persons having abnormally high medical expenses, substandard incomes, and other "hardship" factors. The Community countries, on the other hand, provide medical care for their citizens directly or reimburse them for their medical expenses. In 1963, the EEC Commission estimated that between 80 per cent and 90 per cent of Community residents were covered for medical expenses under the member states' laws.

There are almost as many different types of administrative agencies for social security and welfare in the European Community as there are plans. Some are public, some semi-public. Some deal only with certain occupational groups or administer

Payments to war veterans, in relation to total security and welfare expenditures, are highest in France and Germany.

Much for Too Many?

The elderly account for the major portion of every Community member's social security and welfare expenditures, though the actual percentage varies from 30 per cent (France and Italy) to almost 50 per cent (Germany and Luxembourg).

only certain types of benefits, such as pensions or family allowances. These diffused administrative arrangements contrast sharply with the relatively centralized and clear-cut structure in the United States, where within the limits drawn by the Federal Government, the states are given the responsibility for matching federal funds and administering them.

What Does It Cost?

Social security and welfare expenditures represent an increasingly larger proportion of national wealth. In 1963 these payments and services were equal to 19.6 per cent of the disposable household income in Belgium, 21.5 per cent in Luxembourg, 21.6 per cent in the Netherlands, 23.4 per cent in France, and 27.3 per cent in Germany. (No figures are available for Italy or for the United States.)

The following chart, also for 1963, shows the relationship of these expenditures to gross national product.

	Expenditure Per Capita (in dollars)	*As Per Cent of GNP*	*Total Expenditures (in billions of dollars)*
Belgium	236	15.7	2.19
France	296	17.5	14.95
Germany	322	19.7	19.38
Italy	150	15.6	8.01
Luxembourg	274	16.1	.09
The Netherlands	188	15.3	2.30
United States	347	11.6	66.35

Some basic differences in the types of expenditures covered in the above data should, however, be noted.

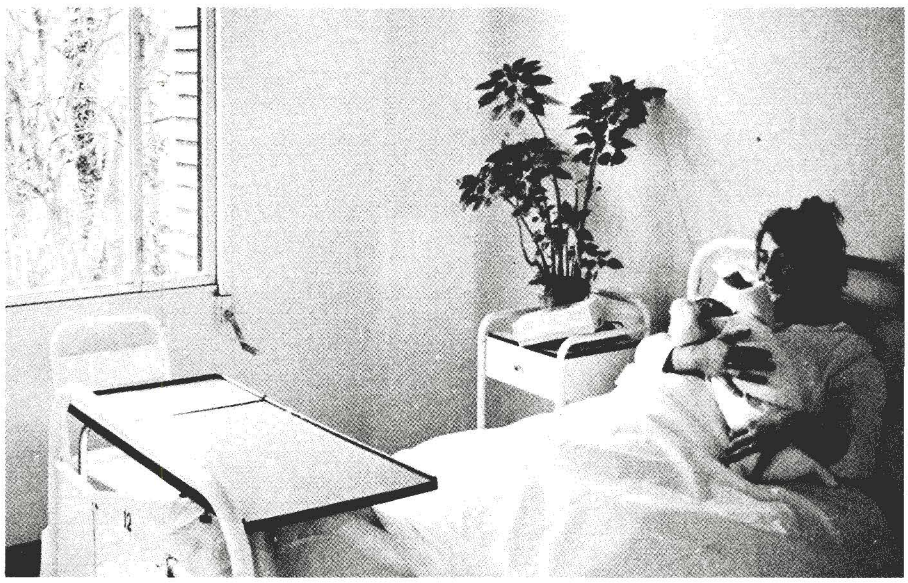
Community figures include direct payments by central and local governments and private insurance companies as well as the costs of offering and maintaining services (such as staff salaries at public health centers) and programs such as family allowances, which the United States handles by granting tax relief. Payments to veterans and persons disabled by war inflate the figures for France and the Federal Republic of Germany relative to other Community members' expenditures. Data on Community members exclude: expenditures for education of all types, construction costs of public housing, schools, hospitals, and other capital investments that are included in the figures for the United States.

U.S. data exclude payments made by private insurance companies and tax relief accorded by state and local governments. They do include all federal and state social security and welfare expenditures, expenditures for vocational, primary, secondary, and higher education, the school lunch program, capital expenditures, and medical research.

Who Pays?

Both the United States and Europe depend more on contributions of employees and employers than on funds from government to defray these expenditures. However, each government is devoting a larger part of its budget each year for social welfare purposes.

In the United States (with the qualifications noted above), "social" expenditures represented 39.5 per cent of total government payments (federal, state, and local) in 1963. Preliminary figures for 1966 showed that this had risen to 43 per cent. In the Community in 1963, government still met less than half of social welfare costs; but this year the Commission's Social Report (see page 12) noted that these expenses have been increasing even though no significant expansion in coverage or extension of services has occurred. Demographic changes (a lower birth rate and a constant mortality rate) and an older average school-leaving age were held accountable. In all Community countries services and payments to the older population account for the greatest part of social security and welfare expenditures, varying from one-third in France and Italy, to almost half in the Federal Republic of Germany. Because of the different categories used for statistics, mentioned above, figures for the United States are not comparable.



Germany instituted the first maternity insurance program, in 1883. All Community members now have plans similar to the German one.

Since 1964, German family allowances have been financed entirely from the federal budget. Annual subsidies for certain specific costs are covered by the state for disablement (in Germany, Belgium, and Italy), for sickness (in Belgium and Italy), and for old age, employment injuries, and family allowances (in Belgium). The state usually meets deficits in individual insurance funds, the exception being France. Faced with the prospect of a social security deficit of $840 million in 1968, the French Government introduced reforms in August to cut costs and increase contributions.

Employers pay a large part of the social security bill for their employees; but their actual costs vary markedly from one Community country to another, being highest in France and Italy. The wide variance in employers' expenses for social security have led to demands for harmonization throughout the Community, especially from French manufacturers who claim their unusually heavy burden places them at a competitive disadvantage with industry in other parts of the Community. In Germany and the Netherlands, wage earners pay a higher proportion of the costs.

Wide Variety of Benefits

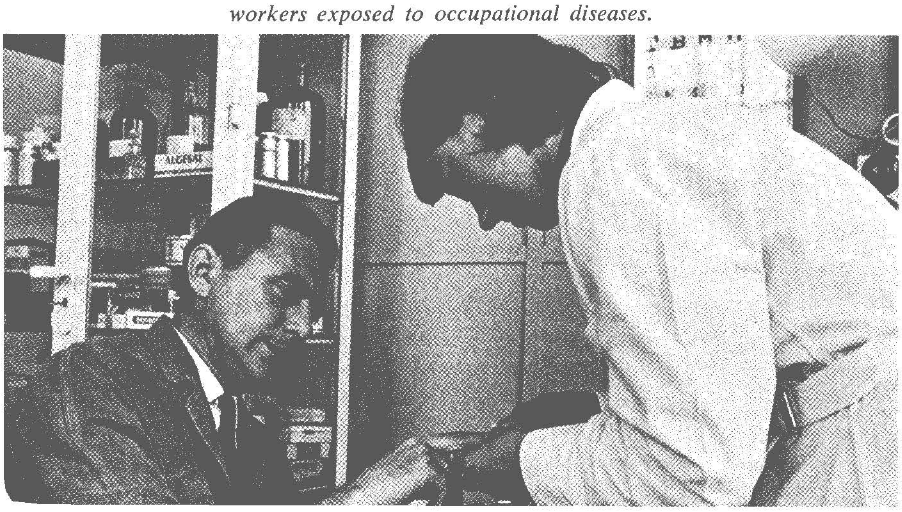
The wide variety of insurance plans in the Six makes comparison of benefits difficult, at best. Belgium and Germany generally have the most liberal retirement benefits. France, Italy, and the Netherlands follow in that order.

In 1966, Germany was the only member of the Community that did not grant a family allowance for the first child. However, when discussing this type of social welfare benefit, personal tax rates and, especially, tax relief for parents must be considered.

For medical care, the Six can be divided into two groups. In the Netherlands, Germany, and to some extent, Italy, insured persons bear little or no part of the costs of their illnesses, at least for a certain time. The appropriate insurance institutions also pay physicians' fees. In Belgium, France, and Luxembourg, the patient pays the doctor directly and then presents the receipt to the appropriate insurance institution for reimbursement, usually for 70 per cent to 80 per cent of the expenses.

A similar distinction arises in the provision of medicines. In the Netherlands, these are provided free of charge. In Germany a small charge—about 12 cents—is paid for filling a prescription, while in Italy the charge varies with the cost of the medicine. Belgium, France, and Luxembourg follow the same practice as with medical consultations and treatment, reimbursing the patient for the percentage of out-of-pocket costs specified in the insurance plan.

A nurse treats an injured worker in the Van Der Elst cigarette factory infirmary, Antwerp, Belgium. Although the costs of public medical services occupy about the same place in each member state's budget, the six national laws still differ concerning private employers' obligations to provide facilities for treating injured workers or workers exposed to occupational diseases.



Labor Mobility by "Upward Equalization"

By signing the Common Market Treaty, the six contracting countries agreed to secure the "geographic mobility" of workers anywhere in the new Community. "This shall involve the abolition of any discrimination based on nationality between workers of the member states as regards employment, remuneration, and other working conditions," states Article 48(3). In addition to guaranteeing the other member states' workers the same employment rights as its own nationals, each member agreed, by Article 117, to make its own policies as liberal as the most liberal member country's policy. Not merely would they harmonize working conditions, compromising towards the "average," they would work towards their "equalization . . . in an upward direction."

Article 51 singles out social security for special attention: no worker would leave his native country for a job in another Community country if it meant relinquishing his rights to a pension which he had earned and to which he had contributed during years of employment at home. Therefore, once eligibility criteria were settled, questions of access or the right to claim payment of benefits had to be assured.

Bilateral agreements, even before the Common Market Treaty, had assured certain occupational groups of coverage in other countries. In determining eligibility and the amount of the benefits, periods of insurance and work in other countries already counted towards the time necessary for entitlement for some workers. Under the Community, these principles were extended to apply to all workers eligible under municipal law.

A second and equally important contribution of the Community was the guarantee it secured for workers that they could collect their pensions from the member states where they resided when they became eligible, no matter where they had resided for most of their working lives. In practical terms, this means that the widow of an Italian may collect her pension from Belgium if that is where she wishes to live. For social services, it means that a German businessman taken ill in Italy can make use of Italy's medical facilities.

Under Community leadership the member countries are working to harmonize their social security and welfare systems in the long term. To facilitate the "equalization of working conditions in an upward direction" the Commission brings together representatives of the six member states' social security administrations, unions, employers, and other interested parties. In this way, many different opinions, from all sides are brought to bear on the issue. The Six are gradually acquiring the habit of informing each other before making changes in their national social security provisions. Under Community leadership the member countries are working to harmonize their social security and welfare systems in the long term.

SOURCES: "Les Comptes Sociaux des Pays Membres de la CEE," No. 5, Office Statistique des Communautés Européennes, 1967; "Statistical Abstract of the United States," U.S. Department of Commerce, 1967; U.S. Internal Revenue Service, Personal Income Tax Returns Division; "Congress and the Nation," Congressional Quarterly Inc., 1965.

Malta and the Community

by **VICTOR AQUILINA**

Malta, an island fortress for many centuries, became independent in 1964 and is now in the throes of adjusting to a new way of life. Victor Aquilina, a Maltese journalist, recounts the Maltese Government's reasons for requesting negotiations with the European Community on the possibilities for a special relationship with it.

WHEN MALTA EMBARKED on an industrialization drive in 1959, one of the most controversial questions that faced it was whether to court the European Community or the European Free Trade Association. The Maltese Government, realizing that the island's future economic development depends to a large extent on the expansion of export-oriented industries, has now chosen the European Community.

The "way to Europe" is bound to create many problems for Malta, mainly because of her size—population 320,000—and somewhat uncertain economic future. Politically, Malta believes it could contribute to the Commituity's long-term aims, as is shown by its increasing role in the Council of Europe.

Britain's recent defense cuts, planned to reduce the island to a forward operating base by 1972, consolidated the view of most local industrialists that Malta must join one of the two main European trading groups. All efforts are now directed at radically diversifying the economy through the rapid expansion of industry, tourism, and horticulture.

Much depends on the implementation of the Anglo-Maltese Joint Mission's recommendations to create employment for some 6,300 Maltese workers who will eventually be discharged by the British armed forces. The creation of new jobs assumes greater urgency because of the high unemployment figure—now about 6,500. In the next five years about 11,500 school graduates and drop-outs will join the labor force, now 85,000 strong.

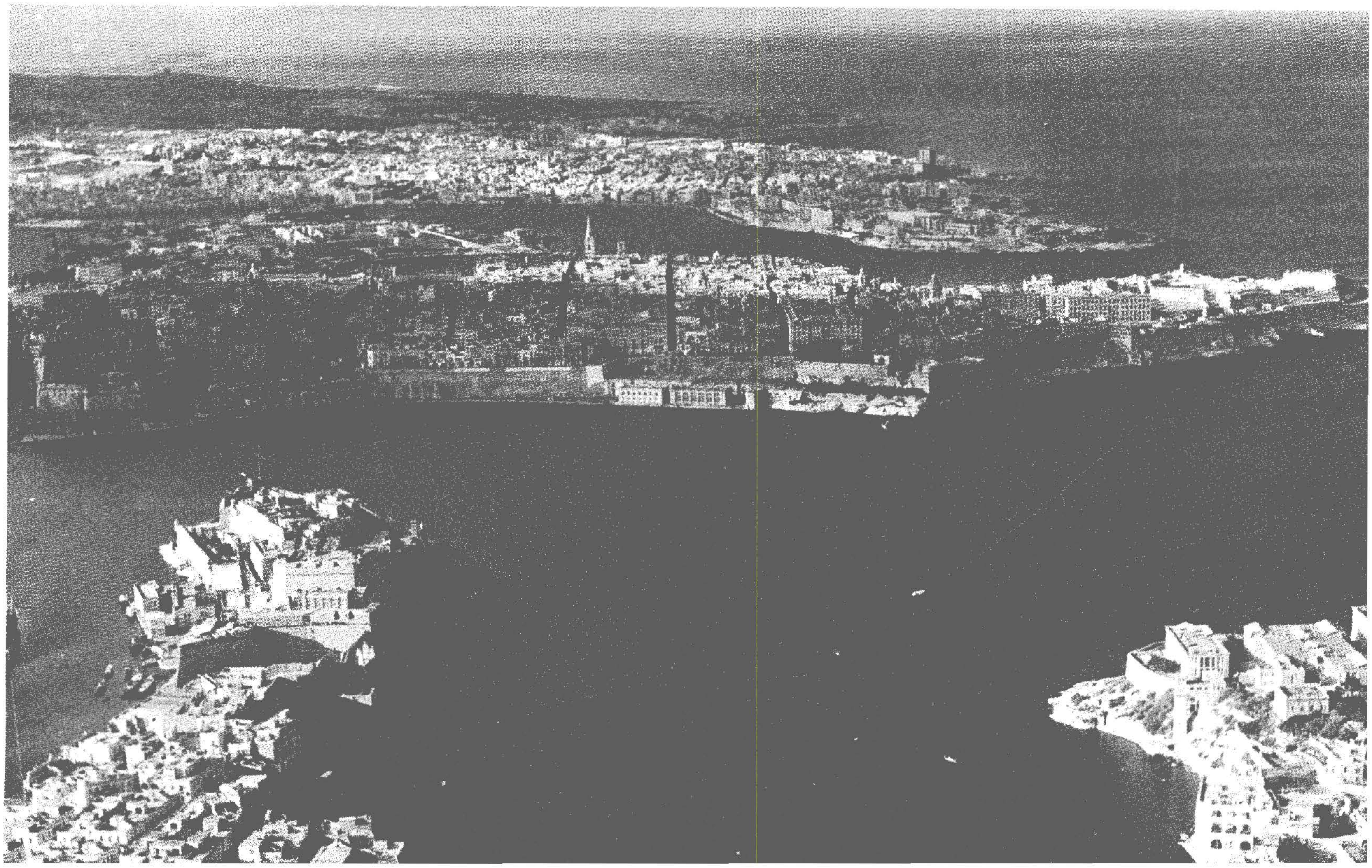
The island's economy is already being restructured. A Development Corporation will soon be created and basic legislation to establish the Central Bank of Malta is far advanced. The authorities are also considering a report on the conversion of imperial weights and measures to the metric system.

Foreign Investment Essential

The endeavours of local industrialists to penetrate the EEC market hold the key to the success or failure of Malta's future economy.

Though tourism and horticulture are expected to contribute significantly to Malta's balance of payments, exports of manu-

In a letter dated September 4, 1967, Borg Olivier, Minister of Commonwealth and Foreign Affairs of Malta, requested negotiations "with a view to establishing a relationship between Malta and the Community in such form and manner as may be considered most appropriate." The photo shows Valetta, capital of Malta, situated between two natural harbors. In the left foreground are the medieval Fort St. Angelo and part of the old city of Vittoriosa. In the background is the modern town of Sleima. PHOTO: *Courtesy the Malta Government Tourist Board.*



Neighboring cities in Malta, too, keep growing until they touch. The Triton Fountain and the basilica of St. Publius belong to the city of Floriana which lies just beyond the main gate of Valleta. PHOTO: *Courtesy of the Malta Government Tourist Board.*

factured goods will clearly have to play the principal role when the British armed forces expenditure ends. Malta must attract foreign industrialists to the island to build new factories for new export industries (the local market of 300,000 people is too small to absorb even the current limited production), but Maltese exporters are already finding it extremely difficult to secure and maintain markets on the Continent. Quotas and tariff barriers are the major obstacles.

Malta's relationship with the EEC would have far-reaching effects on her future economy, but the form of agreement with the EEC would have to be a special one. The high unemployment figure and the scheduled discharge of workers would prevent Malta from accepting free movement of workers. Tariffs and an agreement to regulate imports would be important issues.

Malta's Ties with Britain

The biggest problem in Malta in relations with the Community is her special economic relationship with Britain. If Britain were successful in her second bid to join the Six, Malta would, if associated with the Community, be able to maintain her traditional trade links with Britain. But if Britain's entry were barred, the negotiation of a "tailor-made" agreement between the Maltese Government and the EEC might easily conflict with the wish to maintain the island's economic and commercial relations with Britain.

Since Malta's foreign trade (excluding Britain) is greater with the EEC than with EFTA, the island's economic future appears to lie primarily in association with the Common Market. Many Maltese contend that even if Britain is unsuccessful in her attempt to join the Community, it would still be to Malta's advantage to be linked with the Six.

Bilateral trade agreements with individual Community countries are of little or no practical value to Maltese industry as a whole. Only through a special agreement with the EEC could Malta look forward with confidence to achieving her economic independence. A delay by the EEC in accepting Malta into its fold would retard the island's economic growth, which is so essential to counteract the reduction of British defense expenditure.

Gozo on Mgarr Harbor, is typical of the many small fishing villages on the island. PHOTO: *Courtesy of the Malta Government Tourist Board.*

COMMUNITY NEWS

BENELUX TO SEEK CLOSER TIES

Belgium, the Netherlands, and Luxembourg—the European Community's smallest but most experienced "Europeans"—are to seek closer cooperation and integration at a conference in December or January. The ministers for foreign, economic, and European affairs of the three members of the Benelux Economic Union will hold a preparatory meeting in November.

The Netherlands Prime Minister Piet de Jong made this announcement in Brussels on August 31 after he and his Foreign Minister Joseph Luns had met with Belgium's Prime Minister Paul van den Boeynants and Foreign Minister Pierre Harmel. It was Mr. de Jong's first official visit to the Belgian capital since he assumed office in April.

The Benelux Union began after the Liberation. On September 5, 1944, the Belgian, Dutch, and Luxembourg Governments signed a convention "to create the most favorable conditions for the ultimate formation of a complete and durable economic union and for the restoration of economic activity." This agreement, initially for a customs union, came into force in 1948. Subsequent protocols extended Benelux activities into agriculture, and social and labor policy. By 1956 Belgium, Luxembourg, and the Netherlands had so successfully freed trade between themselves that the Organization for European Economic Cooperation decided to treat them as a single trading area.

The current Benelux Economic Union Treaty (revised in 1965) was signed in 1958, the same year as the European Economic Community Treaty, and came into force in 1960.

Like the protocols to the Benelux Customs Union Convention of 1944, the Benelux Economic Union Treaty extended the formal arrangements for cooperation between the "Low Countries" still further. By November 1961, the signatories agreed, they would relinquish their national prerogative to conclude trade agreements with foreign countries and transfer this power to the Benelux Union itself, as a legal entity.

The Benelux countries now consult each other informally on foreign policy questions, and their experts have been considering ways of harmonizing fully their fiscal and legal systems. They were the first countries in Europe after World War II to unify their labor markets, to dispense with passports for travel between them, to remove tariffs on all goods traded between them, and to free capital movements completely.

NORWAY AND SWEDEN ASK COMMUNITY TO REACTIVATE THEIR APPLICATIONS

Norway and Sweden have asked the European Community to renew negotiations for economic association on the basis of their respective applications of April 30, 1962, and December 12, 1961.

John Lyng, Norwegian Minister for Foreign Affairs, made his Government's request in a letter dated July 21, 1967, to the President-in-Office of the European Communities Council of Ministers. Besides accession to the Economic Community, he also expressed his Government's desire to accede to the treaties establishing the European Coal and Steel Community and the European Atomic Energy Community.

Swedish Minister of Commercial Affairs Gunnar Lange requested negotiations for his Government in a letter dated July 26, 1967, which referred to the applications recently presented by the Governments of the United Kingdom, Denmark, Ireland (see European Community No. 103), and Norway. The letter said that the Swedish Government sought negotiations with the Community "with a view to enabling Sweden to participate in the extension of the European Economic Community in a form which is compatible with a continued Swedish policy of neutrality."

BRITISH TRADE UNIONS PROVISIONALLY APPROVE COMMUNITY MEMBERSHIP

The British Trade Union Congress has gone on record supporting Great Britain's application for membership in the European Community, but has withheld final approval until the terms of entry are known.

The TUC, the largest British labor union confederation, took this position at its 99th annual conference in Brighton, September 4-8. In its report to the Congress, the TUC General Council analyzed the ways British membership in the Community would affect Britain, and British labor union members, in particular. The report stressed both the short-term difficulties (especially food-price increases and the effect on the balance of payments) and the economic advantages, mostly longer term. It pointed out that Britain spends less than most of the Six on social security; entry and subsequent "upward harmonization" (see p. 6) could therefore benefit the British worker. By drawing attention to the flexible way in which the rules of the Rome Treaty have been applied, especially in regional policy and social policy, the report answered trade union members who had expressed fears that the Treaty would prove a strait jacket. The General Council concluded: "There is enough evidence about the possible beneficial results of entry to justify the General Council's decision to approve the Government's intention to open negotiations for membership in the Community. Until the negotiations have reached a more advanced stage, it is neither desirable nor necessary for Congress to go beyond this position."

When George Woodcock, the TUC General Secretary, presented the report to Congress, he said that British membership was eventually inevitable as no suitable alternative was available. Britain's continued exclusion from the Community would seriously inhibit her future development, he added. He stressed the importance of the TUC's current close relations with the free trade unions of the Six who, he said, were enthusiastic about British entry and fully understood Britain's problems.

In addition to the General Council's report, the Congress had before it two main resolutions on the Community. One, proposed by the National Union of General and Municipal Workers, affirmed support for Britain's joining the European Community. The other, proposed by the Transport and General Workers' Union, approved of British membership in the Community only if "guarantees to protect essential British interests" were secured.

Mr. Woodcock had asked the two unions concerned not to press their resolutions to a vote, because the TUC should not have its hands tied in advance. Both agreed to do so, but the TGWU agreement was conditional on a special conference being called at a future date so that the terms of entry negotiated by the Government could be approved by the entire labor union movement.

COMMON MARKET AND SPAIN OPEN NEGOTIATIONS

The European Communities Commission and Spain, on September 21, began the first round of negotiations to see whether agreement is possible for a treaty in the spheres of industry and agriculture.

The Commission will conduct the negotiations in Brussels in the presence of observers from the six member governments and on the basis of the mandate given it by the Council of Ministers on July 11. The mandate concerns the general outlines of an agreement and the possible subject matter for the first stage of a treaty which might result from the talks.

Ambassador Alberto Ullastres Calvo, head of the Spanish mission to the European Communities, will lead the Spanish delegation. Axel Herbst, Director General of the Commission's External Relations Division, will head the Community delegation.

DRIVE TO STABILIZE EMPLOYMENT STRESSES BETTER VOCATIONAL TRAINING AND STATISTICAL FORECASTING

Multipurpose vocational training and more accurate and comprehensive statistical forecasting and reporting will spearhead a drive to stabilize employment throughout the European Community.

The European Communities Commission proposed these priorities for social and labor policy in its annual report on living and working conditions appended to the Tenth General Report. The document covers the major developments in these fields during 1966 and briefly recounts the most important changes in the situation since 1958, when the Common Market Treaty was signed.

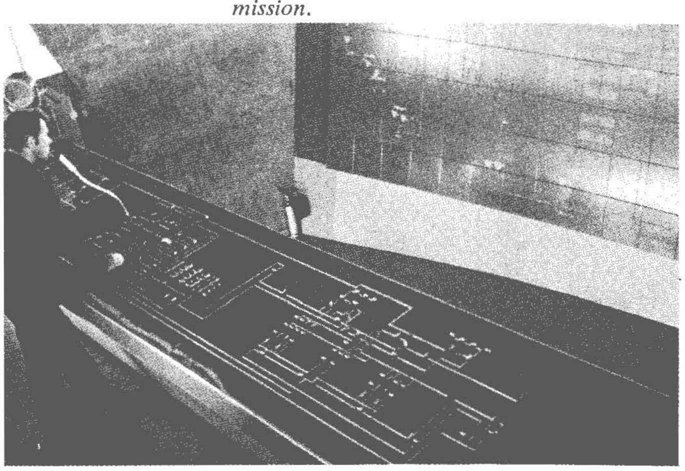
The preamble to the Treaty establishes as one of its most important objectives the improvement of living and working conditions for people in every member country. This goal can be achieved by stabilizing supply and demand in the labor market, the Commission explained, stressing that the success of this effort depended very heavily on the reliability of data on labor requirements and availabilities.

Thus, the Commission said that it would intensify its work to improve short-term employment forecasting and refine data to show labor needs by sector, region, skills, and category (youth, women, older, and handicapped workers). The cooperation of the member governments in furnishing employment data is essential, the Commission said. Better data would also promote geographic mobility of workers.

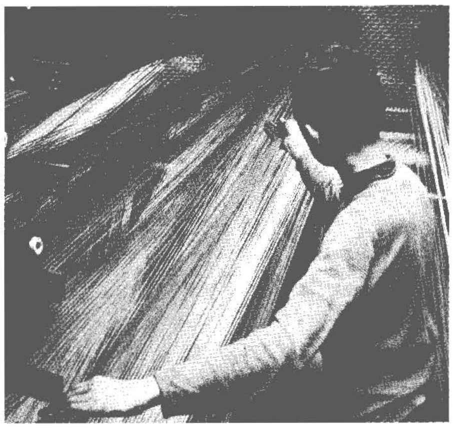
The free movement of labor comes into force on July 1, 1968, a year earlier than had been planned. The Commission pledged its full efforts to see that the regulations removing the barriers to free movement are observed. In addition, it said that it would try to improve the mechanisms for bringing workers seeking jobs into contact with employers, and to simplify the social security procedures for workers and their families who move from one Community country to another.

Polyvalent Vocational Training Stressed

The growing need for retraining and for greater geographical and occupational mobility of workers will necessitate the enlargement of the scope and resources of the European Social Fund after the end of the transition period (December 31, 1969), according to the Commission. The Fund reimburses the member states for half of their expenditures to retrain workers who lose their jobs because of structural changes.



A dynamic economy constantly demands workers trained in new skills to fill the jobs it creates. Better vocational training and forecasting are the answer, according to the Commission.



A polyvalent vocational training program would teach this apprentice weaver skills he could use in other industries.

Vocational training, the report emphasized, must be reorganized so that workers will have the skills needed when they are needed. Specifically, the Commission proposed the establishment of "polyvalent" programs to develop skills that could be applied to several types of work. In addition, the Commission proposed that the member states align their standards for awarding diplomas, certificates, and other recognition of qualifications and agree to reciprocal recognition of all member countries' awards. Special attention should be given to training young workers who are willing to move to other Community countries, the Commission urged. The Commission also said that it intended to foster adult training and retraining, especially for farmers who leave the land.

To align wages and working conditions in the different member countries, the Commission said that it would make extensive studies of wage structure, sliding-scale wage systems, the level and structure of independent incomes, wage-drift, the criteria for determining wages, and plans to distribute company stock to workers. To see whether laws and collective agreements on the length of the work week and on night work and other special hours can be harmonized, the Commission will conduct periodic surveys. The Commission may also investigate part-time work; the connection between working hours, productivity and the safety of workers; and a comparison of agreed and actual working hours.

The report said that the Commission was already studying participation of workers in company management procedures for settling labor disputes, collective bargaining trends, the right to strike, and the protection of workers who lose their jobs.

The Commission would like to see:

- greater coordination of national policies on housing and social services
- farmworkers enjoy the same status as other workers
- harmonization of health and safety regulations.

Birthrate Drop

Reviewing social developments in 1966, the report notes that the birthrate fell to 18 births per 1,000 inhabitants compared with 18.2 in 1965 and 18.8 in 1964. The death rate remained stable.

The labor force decreased from 73.2 million in 1965 to 72.9 million in 1966, mainly because of slowdowns in the building and textile industries. Unemployment affected primarily unskilled laborers and older workers with inadequate or obsolete technical skills. Broader-based occupational training is essential for workers to keep up with technical advances, the report stressed.

During 1966, both trade unions and employers' organizations showed a growing desire to see Community-level social policies worked out in which they would participate. The Commission welcomes this development.

Gains in Real Wages Noted

The rate-of-wage increases rose more rapidly in 1966 than in 1965 in the Netherlands, where it exceeded 10 per cent, and Belgium (8.5 per cent). It fell, compared with 1965, in Germany (6.6 per cent) and Italy (between 2 per cent and 5 per cent).

Consumer prices continued to rise throughout the year, but more slowly in the last six months than in the first half of 1966. Only in Italy and Luxembourg, however, was the improvement very noticeable. Rents and services showed the sharpest rises. Industrial wages averaged real gains of between 5 per cent and 8 per cent in 1965 and 1966.

A high-rise low-cost housing project nears completion on the outskirts of Paris. In the foreground is a lean-to camp inhabited by migrant workers and unemployed French former residents of Algeria.

The report expressed concern that social security systems, despite legislative reforms and mounting expenditures, are not meeting welfare needs, in view of population growth, extension of compulsory school attendance, and more widespread use of expensive, modern medical techniques. Community countries spend about 20 per cent of their national revenue on welfare. The report called for closer ties between economic and social policies and for a reappraisal of social policies and priorities.

A total of 1,476,200 homes were completed in 1966, compared with 1,500,800 in 1965. Subsidized housing represented 46.3 per cent of these new homes. Several cities had a surplus of luxury dwellings, but the shortage of homes for lower income groups persisted.

There was less labor migration, between the Community member countries and from non-member countries to the Community, in 1966 than in any other year since 1959.

PRELIMINARY RULINGS ON CASES CONCERNING SOCIAL SECURITY FOR MIGRANT WORKERS

The European Communities "supreme court," the Court of Justice in Luxembourg, has handed down four preliminary rulings on the interpretation of regulations governing social security of migrant workers (Regulations Nos. 3 and 4).

In Case 1/67 (Ciechelski, referred by the Court of Appeal, Orléans, France), the Court confirmed its earlier ruling (Case 100/63—van der Veen). If a person works long enough to qualify for social security benefits in one Community country, that country may not, to reduce its own liability, require him to declare periods of time he may have worked in other member countries. If a person includes time worked in one Community country in order to qualify for social security benefits in another member country, both countries share the costs.

In Case 2/67 (de Moor, referred by the Grand Duchy of Luxembourg's High Court of Justice), the Court, using terms similar to those used in decision 1/67, applied the above reasoning to old-age pensions.

In Case 6/67 (Guerra, referred by the Belgian Council of State), the Court was asked to interpret Article 45(4) of Regulation No. 3, forbidding the "institutions and authorities" to reject claims or other documents written in "foreign" but official Community languages. The Court ruled that municipal legal authorities competent in social security matters are "authorities" within the meaning of Article 45 of Regulation No. 3.

In Case 9/67 (Colditz, referred by the Paris Court of Appeal), the Court ruled that when pension applications involve institutions in more than one Community country, with different effective dates, Community regulations do not imply that all must begin payment on the earliest effective date.

COUNCIL DEVOTES SEPTEMBER MEETING TO AGRICULTURE

The European Communities Council of Ministers devoted its only meeting in September and its sixth since assuming its duties to agricultural affairs. At the meeting in Brussels on September 25 and 26, the Council adopted a regulation amending Regulation No. 14/64/EEC, Article 5, (1) concerning the calculation of the levy on imported products derived from beef and veal. The amendment allows the most favorable purchase price to be used as the basis for calculating the levy on these imports into the Community.

The Council examined the Commission's proposed regulation for sugar and worked out guidelines for resolving the questions that were still unsettled. It asked the Commission to examine the possibility of preparing a document on these points before the next Council meeting.

Concerning a proposed regulation on the coordination and unification of the member states' arrangement for fruits and vegetables imported into the Community, the Council took note of an interim report by the Special Committee on Agriculture. The Council instructed the Special Committee to continue its examination of this proposal and another which the Commission had said it would put before the Council in October.

$3.1 MILLION IN SOCIAL FUND GRANTS APPROVED

Belgium, France, Italy, and the Federal Republic of Germany will receive the total equivalent of $3.1 million from the European Social Fund, covering half of their expenditures on 18 vocational training and resettlement projects. Under these programs, new jobs were found for 11,370 unemployed and underemployed workers.

On September 29, the European Communities Commission approved these projects for payment from the European Social Fund. The Social Fund was created by the Common Market Treaty to facilitate employment and promote geographical and occupational mobility of labor.

According to the Commission's decision in September, Belgium will receive $661,744 for projects which involved 915 workers; Germany $674 (4 workers); France $779,-816 (1,132 workers); and Italy $1,652,684 (9,319 workers).

ECONOMIC SLOWDOWN DISCOURAGES LABOR MIGRATION

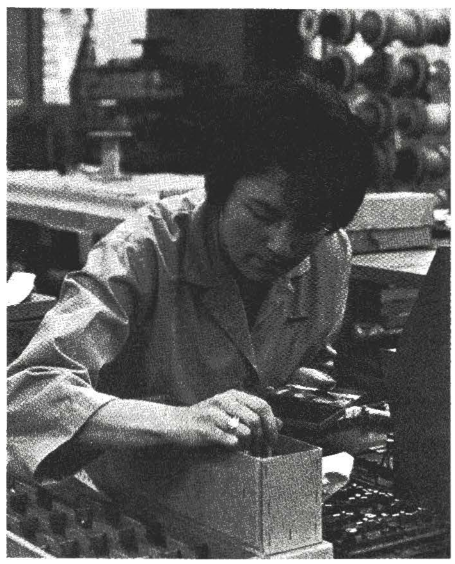
Fewer foreign workers entered the European Community countries last year than at any time since 1959, according to the Commission's third annual report on the labor market and the free movement of workers throughout the Community.

During the first nine months of 1966, the six Community countries issued 486,260 initial labor permits to permanent migrant workers, compared with 562,816 in the same period of 1965. The economic slowdown was held partly responsible for this 14 per cent decrease.

Community residents moving to other member states received 180,003 of the labor permits issued from January to September 1966. All but 18,040 of them came from Italy. The influx of workers from outside the Community was heaviest from Spain (70,047), Yugoslavia (45,372), Portugal (44,843), Turkey (44,038), and Greece (35,437).

The Federal Republic of Germany attracted 337,651 foreign workers, 55 per cent of them from other Community countries. The corresponding figures reported by the other members were: France, 100,134 (12 per cent); the Netherlands, 25,395 (13 per cent); Belgium, 14,436 (48 per cent); Luxembourg, 4,792 (80 per cent); Italy, 3,852 (37 per cent).

WOMEN'S WAGES REVEAL DOUBLE PAY STANDARDS



The "equal pay for equal work" principle, though accepted almost everywhere in the European Community, has not yet been fully applied, according to an investigation made by the European Commission.

In 1961 the Community member states passed a resolution setting December 31, 1964, as the deadline for achieving the "equal pay for equal work" precept in the Rome Treaty. The deadline came and went. The differences between men's and women's wages for identical work shrank, but only a little. To find out the reasons for the slow rate of progress, the Commission has called for a more detailed study.

PROCEDURAL CHANGES SUGGESTED TO EXPEDITE RIGHT OF ESTABLISHMENT

December 31, 1969, is the deadline for all European Community members to guarantee other member countries' companies and professionals the right to establish offices, do business, and offer services under the same conditions as their own nationals. However, the European Communities Commission has warned that the member states will not meet this deadline unless procedural and administrative improvements are made in the process by which its proposals become Community law.

Seventeen directives securing the right of establishment and the freedom to offer services regardless of nationality are now in force. However, 25 more proposals are pending before the Council of Ministers, and countless other proposals must still be made.

On all proposed directives, the Commission must seek the opinions of the European Parliament and the Economic and Social Committee. To expedite this procedure, the Commission suggests that instead of presenting proposals singly it present these bodies with groups of related directives. In this way, each advisory body could write one opinion on a number of proposals instead of several separate ones.

Proposals become Community law when the Council adopts them, but a proposal does not appear on the Council's agenda until one of its advisory committees has reported on it. In the case of proposals for the right of establishment and freedom to supply services, the Council's Economic Affairs Group is the advisory body; however, this committee's agenda is already so crowded that the legislative process is severely hampered. The Commission therefore suggested the creation of a group of experts on freedom of establishment and the supply of services to advise the Council of Ministers and lighten the burden of the Economic Affairs Group.

Even after the right of establishment and freedom to supply services throughout the Community are guaranteed by law, the Commission pointed out that there remain many problems of putting the principles into practice. Still needed will be mutual recognition of diplomas, certificates, and other qualifications and coordination of the conditions of access to, and exercise of, an occupation. But, the Commission notes, it will take longer to achieve this coordination, which requires complex studies in comparative law, than to abolish discriminatory treatment based on nationality.

The Commission is making a special effort to submit proposals to the Council by July 1968 to ensure the right of establishment and the freedom to supply services in more fields than are now covered. These new proposals would remove restrictions in the wholesale coal trade, the legal profession, certain engineering occupations, pharmacy, and in the manufacture and trade of pharmaceuticals. By the end of next year, the Commission hopes to submit proposals on life insurance, distribution of toxic products, transport, construction of transport equipment, agriculture (the final liberalization), sea fishing, film production, service industries, the medical profession, and the agricultural advisory service.

Coordination of Company Law

Swift passage of all these proposals into law would still not completely satisfy all important prerequisites for guaranteeing companies their right to establishment.

The Community and the member states are far behind in their efforts to coordinate the six national laws on companies. The Commission's proposed directive of 1964, despite its limited scope, is still before the Council. A draft directive on the guarantees required for permission to form joint-stock companies will soon be submitted to the Council. Drafts for a regulation on internal mergers and balance-sheets may be completed in 1968, and preliminary studies have been made on the coordination of other types of company.

Once coordinated, the legal systems will have to be adapted to future legislative changes, the Commission points out. Coordination, it emphasizes, means a constant process of adjusting national legislations which will constantly diverge as they develop.

ECSC BORROWS $20 MILLION

The European Coal and Steel Community borrowed $20 million from an international banking syndicate in September, raising its total borrowings since 1954 to $713 million. Proceeds of the new loan will be re-lent to business for modernization of the coal and steel industries and for economic redevelopment of former coal and steel towns.

The loan was negotiated with a syndicate formed at the initiative of S. G. Warburg and Co., Ltd., London. The other directors are: *Lazard Frères*, New York; *Banca Commerciale Italiana*, Milan; *Société Générale de Banque, S.A.*, Brussels; *Société Générale*, Paris, and *Banque Internationale à Luxembourg, S.A.*, Luxembourg. The loan was made for a term of 20 years at a cost of 6⅝ per cent per annum.

EIB ISSUES BONDS FOR $25 MILLION

The European Investment Bank issued $25-million worth of bonds in September to finance general lending operations. Application is being made to list the securities on the Luxembourg, Milan, and New York Stock Exchanges. The bonds have a maximum term of 15 years and bear interest at 6.5 per cent per annum.

CUSTOMS MEN PROTEST CUSTOMS UNION

More than 2,000 customs officials marched through Brussels in a protest demonstration on September 14. They were demanding higher pay and alternative state jobs when customs barriers inside the Community are finally abolished next July.

EEC-EFTA TRADE GROWTH SLOWS

Trade between the European Economic Community and the European Free Trade Association is not increasing as fast as it was a few years ago, according to EFTA's latest annual report.

EFTA's imports from the EEC amounted to $11.01 billion in 1966, an increase of only 5.6 per cent over their 1965 value. In comparison, EFTA's imports from the EEC had averaged a yearly growth of 9.4 per cent in the period 1959-66.

EFTA's exports to the Six amounted to $7.74 billion in 1966, 4.4 percent above their value in 1965. From 1959 to 1966, EFTA's yearly expansion of exports to the EEC had averaged 9.2 per cent.

INFLATION THREATENS COMMUNITY'S EXPORTS

Inflation is beginning to threaten the European Community's international competitive position, Dr. Gerard Brouwers told an audience of leading Canadian businessmen on August 23 in Montreal.

Dr. Brouwers, the vice chairman of the Community's Medium-term Economic Policy Committee and Secretary General of the Netherlands Ministry of Economic Affairs, put the annual rate of inflation at between 3 per cent and 4 per cent. In the past ten years he said that unit labor costs had risen 40 per cent faster in the Community than in the United States. Because short-term budgetary and credit policies had proven too inflexible and too slow to curtail these rises, he explained, Community officials had urged the member states to adopt an incomes policy.

In Dr. Brouwers' opinion, an incomes policy would not mean that the governments should simply consult the unions and employers, issue guidelines, and appeal for price stability. "This does not get us anywhere in practice," he said. However, the kind of incomes policy the Community countries adopted would be a "subject of fierce argument," he added.

This policy also would not supplant other guidelines, according to Dr. Brouwers. A general wage increase in line with the average rise in productivity would still have to be fixed periodically. The central wage norm should allow sufficient flexibility so that high productivity industries, for example, would receive higher rewards. Employees in southern Italy and the Federal Republic of Germany would not necessarily receive identical wage increases.

Even an incomes policy, however, might not produce "a permanent synthesis between balance and growth," because of short-term cyclical movements. This long-term stability, Dr. Brouwers said, needed a medium-term economic policy based on economic trends, rather than on year-to-year developments.

Dr. Brouwers said that a political impasse was retarding the Community's economic growth. He considered nationalism a far more serious danger to the Community's ultimate objectives than organizational problems resulting from enlargement of the Community's membership.

"It is precisely now that Britain should join," he said. "Its accession will provide the solid political basis required to complete the second phase," i.e., full political unity.

CONVENTION SIGNED TO HALT CUSTOMS FRAUDS

A convention, intended to prevent frauds in duties, taxes, and agricultural levies collected by the national customs offices, was signed by the six members of the European Community in Rome on September 7.

The convention contains provisions to facilitate the exchange of information between customs authorities and to enable customs officers to work in the territories of the other contracting states in order to detect infringements of the law. Customs authorities will also seek to align the powers and business hours of customs houses on intra-Community borders in order to facilitate intra-Community trade.

EURATOM-U.S. ATOMS-FOR-PEACE WORK REVIEWED DURING SEABORG VISIT

Dr. Glenn T. Seaborg, chairman of the United States Atomic Energy Commission, on his first official visit to the new European Communities Commission, was received by Commission Vice President Fritz Hellwig and Guido Colonna di Paliano, member of the Commission. The visit, on September 22, was used to review different aspects of the collaboration that has developed between the United States and the European Atomic Energy Community in atoms-for-peace research.

FREEDOM OF ESTABLISHMENT PROPOSED FOR ARCHITECTS

Assurance of the freedom of architects to open offices and provide services anywhere in the Community is the purpose of three directives now before the European Communities Council of Ministers.

According to some member states' laws, architects must belong to a recognized professional organization to open offices. The first proposed directive requires these organizations to apply their membership requirements without regard to the nationality of the applicant. To supply services, however, architects would still have to give prior notification to the appropriate national authorities.

The second proposed directive covers the mutual recognition of degrees, diplomas, and other academic certificates of architects' qualifications. Each country would thereby recognize the evaluations of institutions located in other member countries as carrying the same rights within its frontiers as assessments made by its own schools.

The third directive concerns the gradual coordination of other national laws and regulations affecting architects.

Vice President Hubert H. Humphrey gave a reception for members of the European Parliament during their visit to Washington. Left to right: Joseph Illerhaus; Secretary of State Dean Rusk; Alain Poher, President of the European Parliament; Vice President Hubert H. Humphrey; and Cornelis Berkhouwer.

COMMUNITY OFFICIALS CELEBRATE EUROPE DAY AT EXPO '67; MEMBERS OF EUROPEAN PARLIAMENT TOUR THE U.S.

Jean Rey, President of the European Communities Commission, and other ranking Community officials flew to EXPO '67, Montreal, for Europe Day, September 10. EXPO '67 intended the day to mark the presence of the European Communities at the fair and their emergence as an economic entity in the world distinct from their individual member states.

A delegation from the European Parliament, headed by the Parliament's President, Alain Poher (Christian Democrat—France), participated in the ceremonies and then visited Washington at the invitation of Vice President Hubert H. Humphrey.

Other members of the Parliament's delegation were vice presidents Ludwig Metzger (Socialist—Federal Republic of Germany), Edoardo Battaglia (Liberal—Italy), Louise Terrenoire (European Democratic Union—France), Hans Furler (Christian Democrat—Germany), Joseph Wohlfahrt (Socialist—Luxembourg), Cornelis Berkhouwer (Liberal—the Netherlands), Joseph Illerhaus (Christian Democrat—Germany), Léon-Eli Troclet (Socialist—Belgium), Jean Berthoin (Liberal—France), and Mr. Hans R. Nord, secretary general of the Parliament. Jean Rey was accompanied by Commission members Guido Colonna di Paliano and Albert Coppé. Christian Calmes, secretary general of the Council of Ministers represented the Council at the ceremonies.

"Europe Day" ceremonies actually spilled into three days. Representatives of the European institutions paid official visits to the Communities' Pavilion, the national pavilions of the Six, and the Canadian Pavilion. The Commissioner-General of EXPO '67, Ambassador Pierre Dupuy, gave a luncheon in their honor and welcomed them in a short official ceremony in the "Place des Nations."

In his answering remarks, Jean Rey paid homage to the long and friendly traditions binding Europe and Canada, proven by Canada's assistance in Europe's fight for freedom. "We have set out not only to construct a single economic market but also to construct a continent", Rey said, "For centuries, we have lived like so many small nations, but our old Europe has finally understood that it must organize the European Continent. Others in Africa and Latin America are about to follow our example."

The representatives of the European institutions also inaugurated a new Center for European Studies and Documentation sponsored by the universities in Montreal. At a dinner-debate that evening, President Rey discussed commercial and political relations with 250 prominent Canadian businessmen.

The European Parliament's delegation meanwhile went to Ottawa for talks with members of the Canadian Government and Parliament.

Group Pays Official Visit to United States

After the members of the European Communities Commission returned to their duties in Brussels, the members of the European Parliament spent four days in the United States.

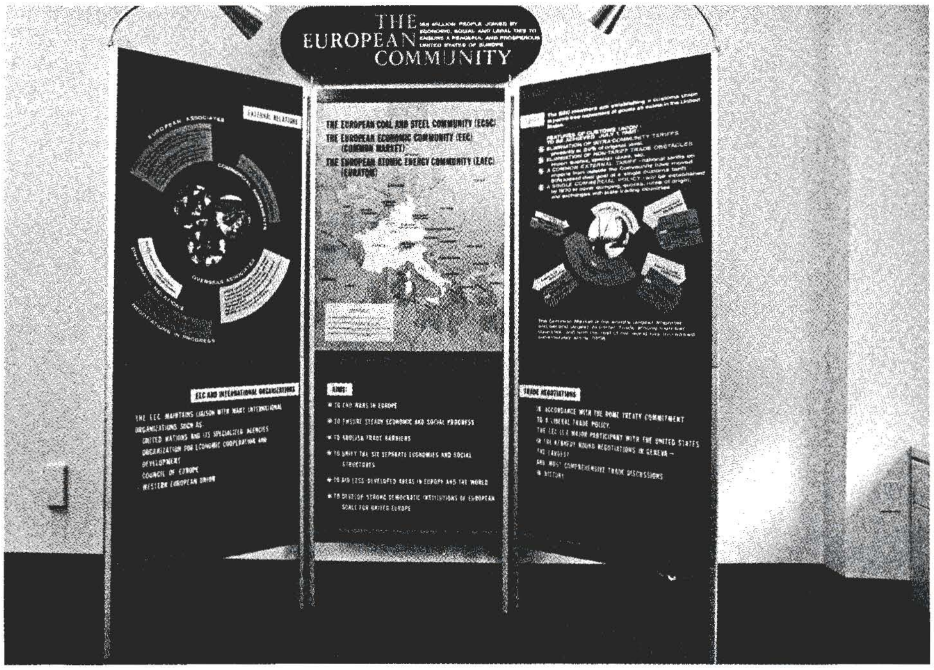
During a one-day visit to Chicago, the members of the European Parliament were given the opportunity of discussing the city's urban redevelopment programs with Mayor Richard J. Daly. The Adlai Stevenson Institute of International Affairs and the Council on Foreign Relations gave a luncheon for them and 40 top business executives.

From Chicago the delegation went to Washington, D.C. After laying a wreath at the grave of the late President John F. Kennedy at Arlington Cemetery, the Europeans began a very heavy schedule: meetings with Senators and Representatives and State Department officials; a luncheon given by Senator John J. Sparkman (D-Ala.), Chairman of the Senate Foreign Relations Committee's Sub-Committee on Europe; and a reception at Blair House given by Vice President Humphrey, where Secretary of State Dean Rusk was among the guests. The day ended with a dinner given by German Ambassador Heinrich Knappstein, host to the Parilamentarians as his government now occupies the presidency of the Communities' Council of Ministers, an office which rotates every six months.

On the following day a visit to the Cape Kennedy Space Center showed the Europeans some important aspects of the so-called "technological gap." The Center's Director, Dr. Kurt H. Debus, briefed the Europeans on the budgetary, economic, managerial, and technical problems involved in running the space program and particularly the Apollo Project. One European commented that the space center's $3-billion budget is about the same size as Belgium's entire annual budget.

The members of the European Parliament concluded the visit to the United States with a sightseeing tour of New York and a luncheon with Consuls General in the city.

The Europeans said that the brief visit had given them a broader understanding of America's position and American problems. It has also served to demonstrate in the U.S., they said, the existence of a parliamentary institution in the European Communities.



HAVE CRATE, WILL TRAVEL

The European Community Information Service will lend schools, libraries, civic associations, and other interested organizations this exhibit on the Community, free of charge. Removable panels allow the triptych to be varied to show different aspects of Community affairs. Panels are available on external relations, trade, nuclear energy, and the Community's association with Africa. Standing, the display measures 28 inches deep by 70 inches wide. It is 7 feet 4 inches high, including the headboard and lights. Panels, lights and frame fit into a wooden crate especially built to facilitate safe shipment.

PUBLICATIONS AVAILABLE

STATISTICAL INFORMATION, 1966, No. 4, Statistical Office of the European Communities, Brussels, 119 pages $2.00

This issue contains the following articles in the languages indicated. English summaries follow each article.

- STATISTICS FOR THE EEC REGIONS (Italian)
- THE ROLE OF AID IN BALANCED GROWTH OF DEVELOPING COUNTRIES (English)
- REGIONAL PLANNING IN AFRICA (French)
- FARM PRICE STATISTICS IN THE EEC—THE OUTLOOK (Dutch)

LES SYSTEMES DE LA DUREE DU TRAVAIL DANS LES ETATS MEMBRES DE LA CEE COMPTE TENU EN PARTICULIER DE LA SITUATION DANS LES SECTEURS: . . . AUTOMOBILE, ELECTROTECHNIQUE, TEXTILE, FIBRES ARTIFICIELLES ET SYNTHETIQUES, CAOUTCHOUC, CHIMIQUE. Etude No. 14, *Série Politique Sociale,* EEC Commission, Brussels, 1966, 126 pages $3.00

Describes legislation and wage agreements on working hours, daily breaks, night work, annual leave, and public holidays. The legal provisions are given for all branches of industry, but details of wage agreements are given for only six industries.

LES REGIMES COMPLEMENTAIRES DE SECURITE SOCIALE DANS LES PAYS DE LA CEE. Etude No. 15, *Série Politique Sociale,* EEC Commission, Brussels, 1966, 104 pages $2.40

Characteristics of selected supplementary social security systems set up by agreement between employers and workers or by unilateral decision of the employer.

THE EURATOM JOINT NUCLEAR RESEARCH CENTRE, *Community Topics* No. 16, European Community Information Service, Brussels, revised edition, May 1966, 16 pages . . . free

Discusses Euratom's role in nuclear research and the activities of the four research centers which Euratom maintains.

BASIC STATISTICS OF THE COMMUNITY. Statistical Office of the European Communities, Brussels, 1966, 204 pages $1.00

The seventh edition of this statistical account of the Community, its European associates, EFTA, Canada, the United States, Japan, and the USSR.

A GUIDE TO THE STUDY OF THE EUROPEAN COMMUNITY. European Community Information Service, Brussels, revised edition, June 1967, 20 pages . . . . free

A selected reading list of official publications of the European Community as well as non-Community books and pamphlets about the Community and its relations with the United Kingdom. Contains a list of bibliographies, visual aids, and other sources.

UNITING EUROPE: THE EUROPEAN COMMUNITY 1950-1967. European Community Information Service, Brussels, May 1967, 24 pages . . . . free

Describes the development of European integration since 1950 and outlines steps to be taken to complete the economic union of the Six.

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