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# *europa 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.

IN THE TWO-MONTH PERIOD following the 10th anniversary of the Rome Treaties, signs of *relance* have been everywhere apparent. The new United Kingdom bid for membership, the successful conclusion of the Kennedy Round, and the agreement for fusion of the Community executives on July 1, 1967, have all signaled a rebirth of activity for European economic integration. In this month's issue of *European Community*, articles focus upon the less spectacular day-to-day developments that make up the life of the Community. *Harm Buiter* views the role and position of Europe's free trade unions *vis-à-vis* the Community. *J. W. Hollatz* takes a European's view of urban planning problems in Europe's capitals and wonders if the ugly sprawl of U.S. cities can be escaped. The strange economic reversal of Europe's coal and steel situation within 15 years is commented upon and the "technology gap," a popular jargon term in the U.S. and Europe today, is examined from the standpoint of European integration. Tape-recorded interviews with a young and a middle-aged "Eurocrat" reflect some of the experiences and hopes and fears of the international civil servants who serve as *fonctionnaires* in the Community. *Florence Seingry* tells of the "European" education she has received in the European schools, founded for the children of Community employees. Finally, news notes include two articles on recent anti-trust actions in the Community. Next month's *EUROPEAN COMMUNITY* will include articles reviewing the results of the Kennedy Round, aspects of the United Kingdom's new application, and a look at the "little summit meeting" being held in Rome at the end of May.

COVER: *New headquarters for the European Community, Brussels.*

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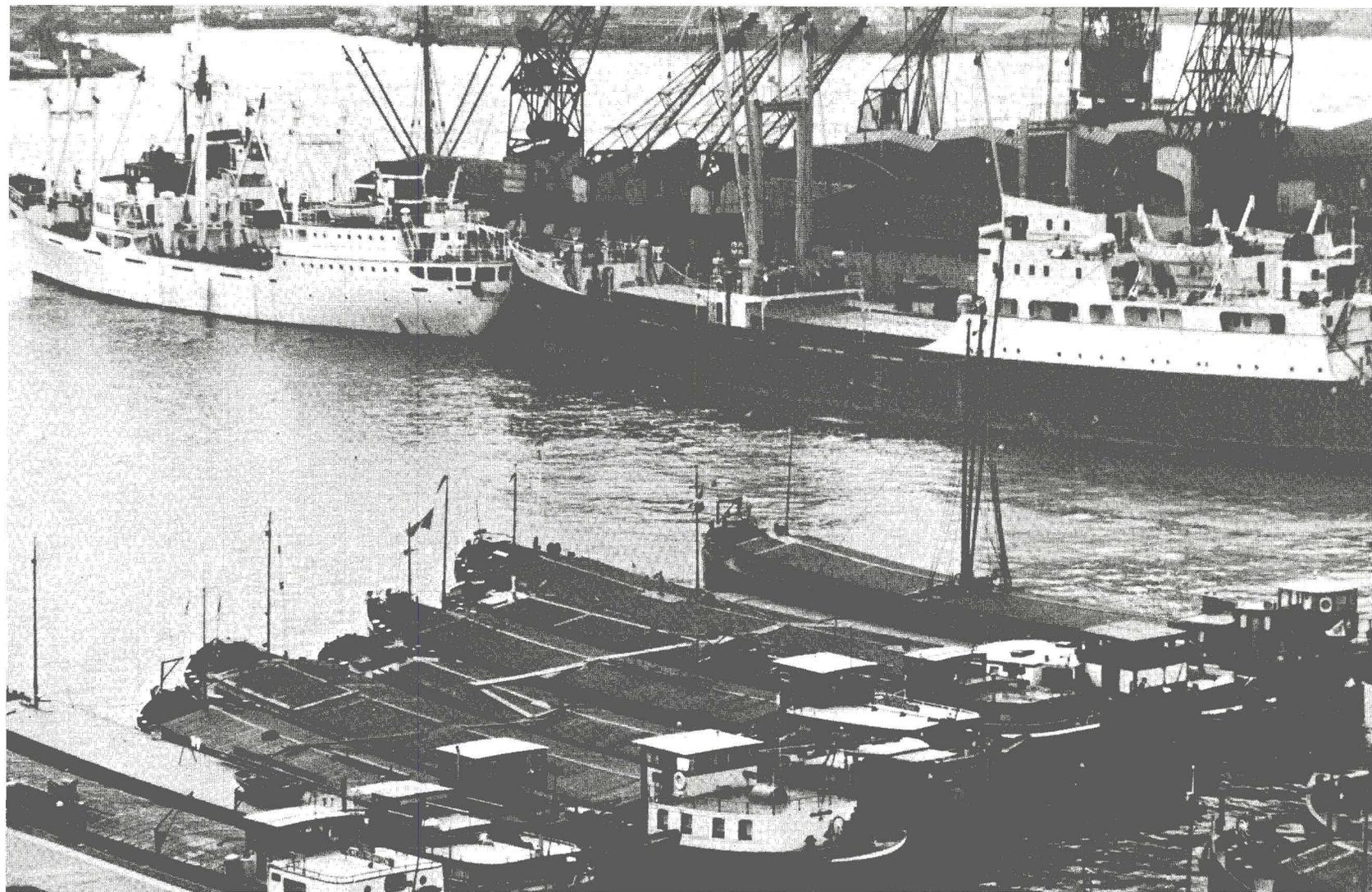
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# The Kennedy Round

THE LONG TARIFF BATTLE IS ENDED. All the participants have won. The four-year Kennedy Round campaign at Geneva had engaged some 50 nations representing 80 per cent of world trade. Its success will affect world trade valued at 40 billion dollars.

The results go beyond the wide-ranging trade benefits that may accrue to the participants. The ending of the Kennedy Round clears the decks for new international approaches to common problems still besetting the major trading nations.

It appears that the Kennedy Round was the last in a series of post-war horse-trades. The next conferences will probably be of a different character. They could focus on the variety of non-quantitative non-tariff obstacles that still remain—those that were exposed but barely touched at Geneva. They include the disparate fiscal, statutory, and financial rules governing modern national economies that can distort the international economy and inhibit trade and competition. Such conferences would not involve swapping concessions but the sorting out of specific common problems and resolving them by agreement to harmonize policies or regulations.

One reason for the Kennedy Round's success was the demonstrated cohesiveness of the European Community at the bargaining table. The performance was solid evidence that the Community has become the "equal partner" of the United States in the Atlantic dialogue on trade and it underscores the validity of the "Atlantic partnership" concept for future positive action in new directions.



## KONRAD ADENAUER

1866-1967

*Europe and Germany have lost one of the greatest statesmen of our time, Konrad Adenauer. Together with the German people and all who believe in Europe, the Commission of the European Economic Community grieves at the loss of this extraordinary man.*

*In the last decades of a long, rich and fruitful life it was vouchsafed to him to make a decisive contribution to postwar political developments. He was great as a German: he helped to create and he breathed life into a new German civic order, rooted in the moral and legal principles of a democratic community. He was no less great as the statesman who helped to shape the international, and particularly the European,*

*relations of our time. His sense of responsibility, his realism and his breadth of vision earned him a place as one of the architects of European unity. As one of the founders of the European Community, he placed his political ability and his authority behind the idea of a unified Europe. He bequeaths to us a legacy that will endure. If Europeans can now look forward to a future in unity, freedom and well-being he is among the first to whom their gratitude is due.*

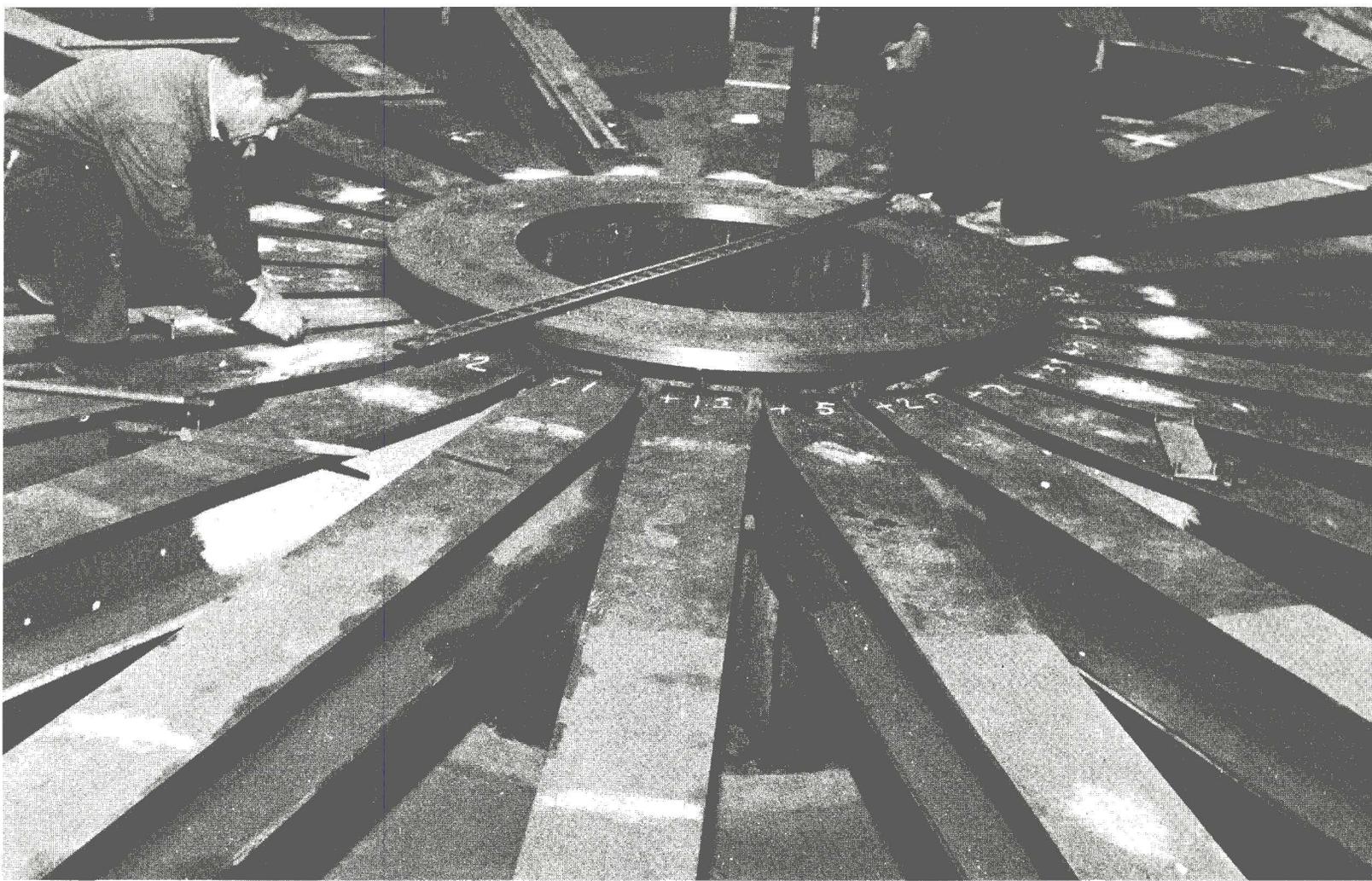
*The Commission mourns the passing of a man of high principles and great achievement.*

European Economic Community Commission

*The President and the members of the Commission of the European Atomic Energy Community have learned with deep regret of the passing of Konrad Adenauer and transmit their condolences to the family of the deceased statesman, to the President of the Federal Republic of Germany, to Chancellor Kiesinger as well as to Herr Gerstenmaier, President of the Bundestag.*

*The Euratom Commission feels grievously the loss of this great statesman whose name will be forever linked to the birth and first successes of the building of Europe and participates in the grief which strikes Germany and Europe.*

European Atomic Energy Community Commission  
April 19, 1967



# The Democratic Trade Unions —Loyal but Critical Allies

by HARM G. BUITER

EARLY IN THE EUROPEAN UNIFICATION MOVEMENT, trade unions in the countries which today belong to the European Communities took firm public stands on the issue.

The democratic trade unions went on record in favor of European unity during the Schuman Plan negotiations in 1950. The Western European standard of living would rise only when the right economic and political conditions had been created. Their positive attitude, which helped greatly to lessen the German socialists' early reservations to European unification, remains basically unchanged today.

The communist trade unions, however, branded European integration as nothing less than a "NATO war conspiracy" and "an attack on the living standards of the working masses." In recent years, their views have moderated, first in Italy, now cautiously in France. Though still critical of European integration, the Italian communist CGIL is no longer hostile. Though the basic attitude of the French communist CGT has not changed, not even its members want to miss the boat completely as it moves towards European unity.

The democratic unions helped found the "Action Committee for the United States of Europe," whose president, Jean Monnet, has always relied heavily upon trade union cooperation. But the unions' strong political endorsement of European unification does not mean that they do not criticize the methods used to achieve it.

## Customs Union Considered Imperfect Tool for Progress

The trade unions consider a customs union an imperfect instrument for solving Europe's economic and social problems. Within the Community, they advocate common policies for agriculture, transport and the general economy. They welcome the formulation of a joint medium-term economic policy as a step towards overall European planning. By and large, the free trade unions believe too wide a gap exists between the more or less automatic growth of customs union and the long travail needed to realize economic union.

The buoyancy of the economy has allowed the trade unions to concentrate on improving the standard of living; notwithstanding union pressures, however, a common European social policy has not yet developed. The Treaties are vague on this point and thus far the member governments have failed to agree on a well-balanced social policy.

## Coordinated Action Program for EEC Labor

The trade unions have drawn up an action program to coordinate their own activities. In several important industries they have agreed to harmonize national policies on collective wage agreements. In a program published on May 1, 1965, the free trade unions in the Community jointly demanded

- Reduction of the work-week to 40 hours and five days, without reducing pay.



**Harm Buiter**, Secretary General of the European Trade Union Secretariat, International Confederation of Free Trade Unions since 1958, began his labor career in 1947 as an economist with the Dutch Metal Workers Federation. Mr. Buiter has also acted as advisor to the Dutch Trade Union Movement on Benelux and European integration questions.

- Extension of the annual vacation to four weeks.
- Double pay for the vacation period.
- Guaranteed income during disablement from sickness, accidents, or convalescence to permit the wage-earner to maintain his standard of living.

The joint campaign for these claims has already borne fruit and strengthened union cohesion.

### Democratic Control, Balanced Powers Sought

From the beginning of the European unification movement, the democratic trade unions have advocated strong Community institutions under the control of the European Parliament.

The unions realize that they can only protect their interests if their spokesmen are people with whom they can "come to grips." At the Community level presently, the decision-making process is amorphous and confusing; major interest groups cannot help feeling that they are dealing with an amoeba.

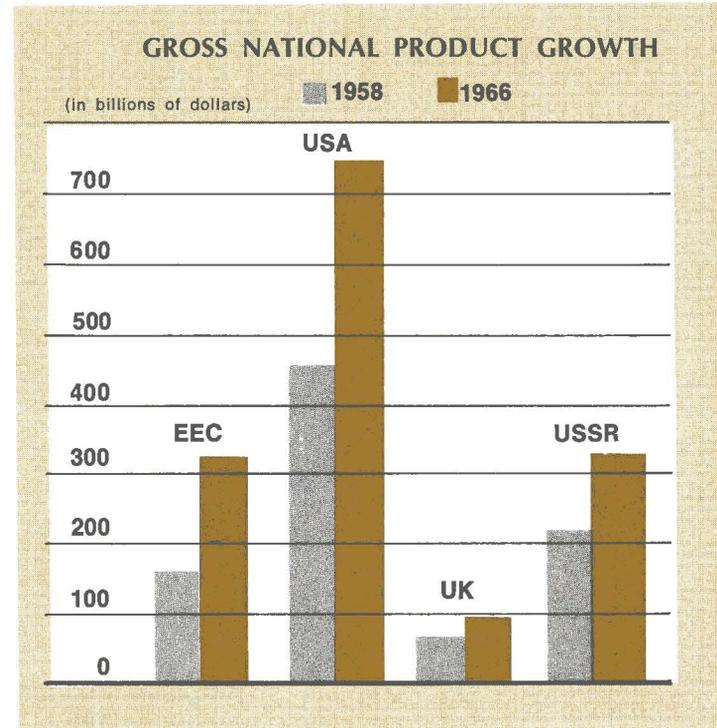
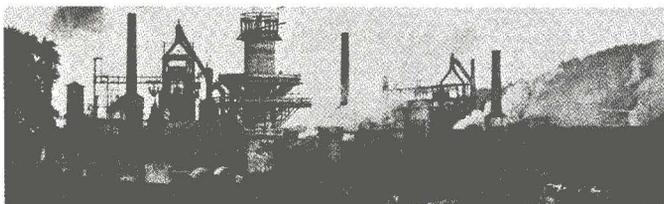
After ten years of effort on behalf of Europe, the unions are worried to see the Community's position weaken instead of becoming stronger. The democratic trade unions therefore support the merger of the present Communities, the reinforcement of the European Parliament's powers, and the appointment to the new European Executive of persons capable of accomplishing the necessary political tasks.

### Enlarging the Community Would Enhance Free Unions' Power

If other democratic Western European countries joined the Community, it would strengthen free trade union influence in the Community. For this reason (but more especially because they consider the division of Europe to be economically and politically harmful) the unions have in the past decade, and more particularly of late, advocated that the United Kingdom and the other democratic countries join the Community.

In some economic and social spheres, the unions' influence at the national level is steadily waning because basic decisions are made at the Community level. By stepping up their activities at the European level, the unions now hope to compensate for this loss of influence. To perform their European tasks, the democratic unions have set up permanent secretariats in Brussels that, as part of the general trend, are becoming the focal points for a European trade union movement.

The consequences of this trend were thoroughly examined at the Congress of the Christian Trade Unions, held in Amsterdam in October 1966, and at the General Assembly of the Free Trade Unions, held in Rome in November 1966. They decided that close cooperation between all democratic unions at the European level was imperative, because their influence is in direct proportion to their unified strength.



## Europe's Union Leaders Comment on

*Another disappointment in the last ten years has been the scarcely concealed unwillingness to admit democratic States to membership. . . .*

*If the EEC is really to develop in the years ahead into what the Treaty of Rome intended it to be, it must be a Community of peoples, firmly based on the supranational principle, democratic and open to all European democracies, and working to improve economic and social conditions everywhere. . . .*

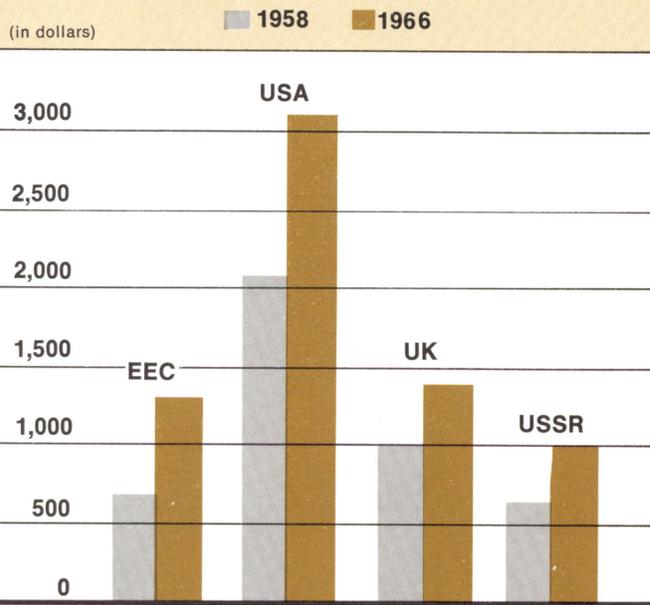
A. H. KLOOS, *Chairman, Nederlands Verbond van Vakvereiningen (NVV), the Netherlands*

*Ten years after the conclusion of the Treaty of Rome, it is heartening to see what a striking success economic integration is proving; however political integration is not making much headway. The Assembly in Strasbourg is doing good work and trying its hardest to get things on the move, but it has not yet become the genuine European Parliament that will be the custodian of European democracy. . . .*

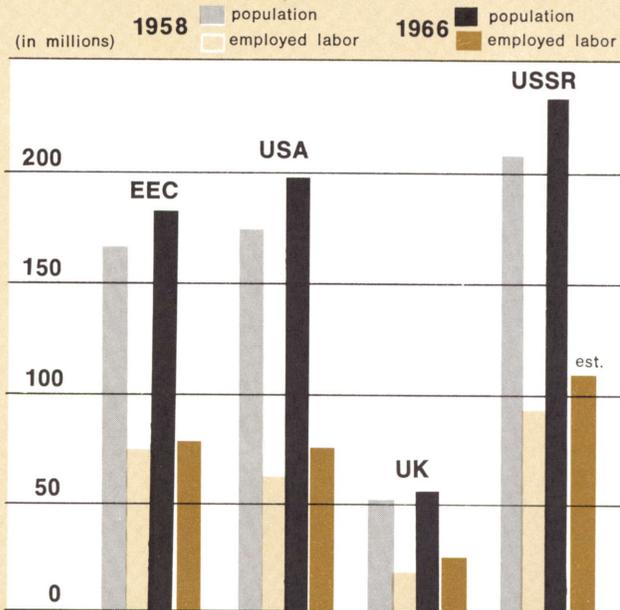
*We do not in the least believe that social phenomena automatically derive from economic ones. If the European Community is ever to become genuinely social in character, it will need to develop a drive it has certainly not shown in the past ten years.*

AUGUST COOL, *Chairman, Confédération des Syndicats Chrétien (CSC), Belgium*

## NATIONAL INCOME PER CAPITA



## POPULATION AND EMPLOYED LABOR



## abor's Stake in Common Market

*The fund of past achievement and future promise is very much more worthwhile than it has lately been given credit for being. . . . Against all expectations to the contrary, more has been achieved by peaceful means than ever before in the whole unhappy history of the European peoples . . . Perhaps the greatest triumph of this tremendous and totally unprecedented undertaking is that neither the politicians nor the public find it nearly as startling as it really is, but accept it, in effect, almost as a natural and inevitable development.*

*This may also be why so much of the initial enthusiasm for European unity has evaporated—but that does not mean it has given place to impatience or dislike of the whole idea. European unity is just taken for granted, and people do not usually get excited about things they take for granted.*

*Anybody can reel off a string of complaints on how things have gone in the Community, compared with what the workers in the EEC expected and wanted and urged. Some trends may disappoint you when, remembering the Community aim of a socially progressive Europe, you often see economic considerations placed unduly high in the policy-makers' scale of values. You can deplore the scanty influence of workers and unions on Community policy. While there are plenty of other things to criticize—many of them threats to the Community's future development—the Community is there and will continue. What has already been done has given it such momentum of its own that there can be no question of the Community's future as such being in peril.*

LUDWIG ROSENBERG, Chairman,  
Deutscher Gewerkschaftsbund (DGB), Germany

*The Common Market must admit other democracies—first and foremost Great Britain. It must develop a more effective solidarity with the "third world." As trade unionists we cannot in decency allow Europe to develop into an affluent countries' club. . . .*

EUGENE DESCAMPS, Secretary-General,  
Confederation Française Démocratique  
du Travail (CFDT), France

*National emotions are almost stifling the true European fire. High endeavor for one great European democracy and an optimum standard of living for all is not always in evidence. . . . In the long run you cannot have a common economic policy without a common social policy. And the trade unions must be associated in that social policy as an equal partner, just as they are in their own countries. Social and economic policy are interconnected in practice so the trade unions should have a voice in economic policy too, especially with the steady trend towards industrial concentration in the Common Market. In conjunction with a strong policy on competition, trade union participation could help to ensure democratic control of such concentrations.*

*For all who have the Community's success at heart, a major aim in the next ten years must be to put the entire Community—its institutions and operations—under democratic control.*

J. VAN EIBERGEN, Chairman,  
Christelijke Nationaal Vakverbond (CNV),  
the Netherlands

# Who Are the 'Eurocrats' ?

## AN INTERVIEW WITH AN 'EARLY EUROCRAT' AND A 'LATER ARRIVAL'

*The U.S. Government's non military Executive Departments and Agencies employ 1.9 million. The first European Community, for coal and steel, employed barely 500 people in 1952. Today, excluding the 2,500 scientists at Euratom's Joint Research Centers, Community executive institutions employ 6,200 international civil servants in management, middle-management, and clerical positions. In the following interview, two "Eurocrats" of different generations and nationalities talk about their work.*

*How long have you been with the Community?*

**Eurocrat I:** Fifteen years. I started out with the High Authority of the Coal and Steel Community, and joined staff of the European Economic Community Commission in 1958.

**Eurocrat II:** I've been with the Community about 8 years, first as a member of an EEC Commissioner's staff and, for the past three years, in my present job.

*How have the Communities changed since you started working for them?*

**Eurocrat I:** When we started, we were trying to put forward ideas. In the past ten years, we've moved from ideas to everyday actions. We've become an administration—that's the main change.

**Eurocrat II:** And the Commission's staff is a lot bigger.

*In becoming a "technical bureaucracy" has the Community lost its political goals?*

**Eurocrat I:** No. Our goals ten years ago were to be able to handle such matters as harmonization of taxes and economic policy and discrimination exactly as we're doing today. Robert Schuman mapped a good path. When you decide important economic issues together, you discover common interests. Decisions, one by one, add up to a policy. In fact, political union is economically more feasible now than it was fifteen years ago. Whether or not it will be achieved is still open, but it was certainly open in 1950 when Robert Schuman started.

*Why did you choose a career with the Community?*

**Eurocrat I:** I had two reasons. One was the war. I had been a prisoner of war. It seemed absolutely necessary to change the usual pattern of international relations. Western Europe had to be stabilized and a new way of life found, mainly for France and Germany. In the second place, economic growth clearly needed big markets. This meant that the Western European countries had to work closely together. But I don't believe the Community should be considered as a place for a "career." It's more an adventure than a career.

**Eurocrat II:** As a student, I was interested in European affairs, political and economic integration from the theoretical point of view. When friends asked me to come to Brussels, I gladly accepted, to see how political and economic problems were actually worked out. So far, I've liked my work, but that doesn't necessarily mean I'll stay here forever. If an opportunity arose for another kind of work somewhere else, I might accept.

*What has given you the greatest satisfaction?*

**Eurocrat I:** The friendships and the building of the Communities . . . your perspective widens.

**Eurocrat II:** Yes, the friendships—all sort of people, all nationalities, and at every level—and the mere fact of working for the Community.

*What has disappointed you the most?*

**Eurocrat I:** Distrust—each country shows it at some time. You feel that someone is not ready to talk with you. In this kind of work, that hurts very much. Sometimes things are slow, sometimes trying, but when you stop to think, it doesn't surprise you. Each country has its own internal complexities. Economic and social problems are always difficult. Community employees need great patience and tenacity. But I don't consider our pace very disappointing. We probably couldn't move much faster.

**Eurocrat II:** Yes, but sometimes the slow progress towards European unity really bothers me. Since 1962 or 1963, the going has been more difficult, sometimes disappointing. I don't know whether everyone feels this way, but people who have been here since 1958 or 1959 are apt to be less satisfied than those who have just entered.

*Did the "empty chair" crisis of 1965-66 affect Community morale?*

**Eurocrat I:** People were anxious during the crisis, but morale has not been bad since it ended. I don't think any more people are leaving the Community now than before.

**Eurocrat II:** To me it has seemed slower since 1962 and especially since 1965, but then after eight or nine years in the same service, you are bound to be less satisfied, enthusiastic, and optimistic than at the beginning. Some people have been working here too long. That's one reason why morale is lower now.

*How does working in the Community differ from jobs in the national Administrations?*

**Eurocrat I:** On the average, the Community has a younger staff, probably more because our first staff was young—men in their thirties or at most their forties—than because we are getting more young men today. In the national administrations, a lot of people have been there for 25 and 30 years.

**Eurocrat II:** Community salaries are higher than in most of the national governments but in 1958 they were relatively much higher than now. National salaries augmented enormously but ours lagged behind. That was why the Commission's staff went on strike last year. Sometimes it takes rather long to have your work approved by your director or head of division, but in general, we aren't any more bureaucratic than the national governments.

*Does working in four languages cause many problems?*

**Eurocrat I:** I don't think so.

**Eurocrat II:** It sounds more difficult than it really is. The working languages are German and French. Of course, if other countries join the Common Market, the staff will be enlarged,



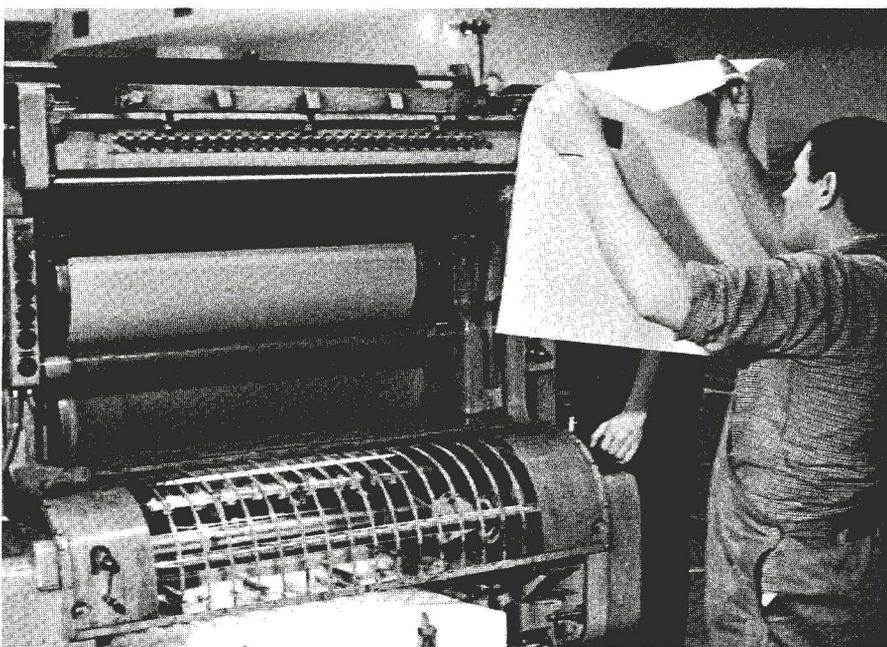
*Management and clerical help, from switchboard operators to typists, have a command of one Community language and a good working knowledge of a second.*



and English will probably be added as a working language. Citizens of other countries will have to become accustomed to working by mutual agreement and will have to be "educated" in the spirit of the Community. That takes time, but those problems can be overcome easily. Adding other working languages will complicate problems of translation and other everyday aspects. But anyway, after three or four years with the Community, about 90 per cent of us speak French. You get used to it.



*To produce official documents and reports, the Community has its own staff of artists, draftsmen, typesetters, and printers.*



*Does nationality play a part in staffing and promotion in the Community?*

**Eurocrat II:** Definitely. If a post has always been held by a German or a Frenchman the same nationality will be appointed again in 80 per cent of the cases.

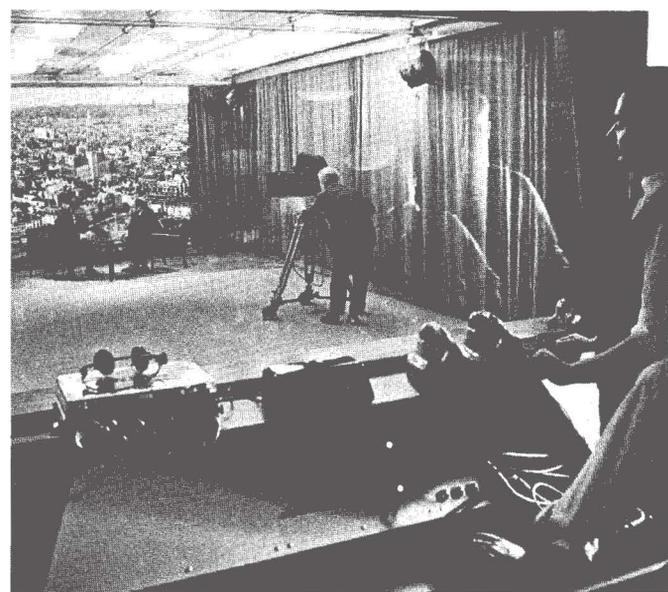
**Eurocrat I:** Yes, but that's good. In the Community's work, feeling that everyone's participating is important, so you have to distribute the jobs fairly and evenly among people of the six



*Quadrilingual communications both in the Community's headquarters and to the six member nations call for highly trained interpreters and translators and also skilled telex operators.*



*The Community's film library and radio and television studio help serve the needs of journalists and educators.*



nationalities, cultures, and languages. For promotions, after you have proven your ability, nationality is less important.

*How long do most people stay?*

**Eurocrat I:** Well, in 1952 I intended to stay two or three years, but I'm still here!

**Eurocrat II:** Most of the people who came here in 1958 and 1959 are still here. On the other hand, more and more very young people just out of the university are taking temporary jobs with the Community, under short-term contracts. They may be content to stay two or three years for the experience

and then go back to their own countries. Depending on your country and the political situation, it is fairly easy to "go home."

*What do you think of Brussels as the temporary and perhaps the permanent capital of Europe?*

**Eurocrat II:** For most Europeans, it is a livable, comfortable city, the only one in Europe that doesn't have a housing problem. The surroundings are nice—woods and forests. The sea is not too far away so you can go to the seaside when the weather is nice which is not often the case. But there are few contacts between the Common Market administration and the Belgian population. Probably both sides are at fault.

Brussels

Bruxelles

Brussel

Brüssel

Bruxelles

"DRIVE-IN-BANK" reads a sign on the Avenue de la Joyeuse Entree not far from the headquarters of the European Community Commission.

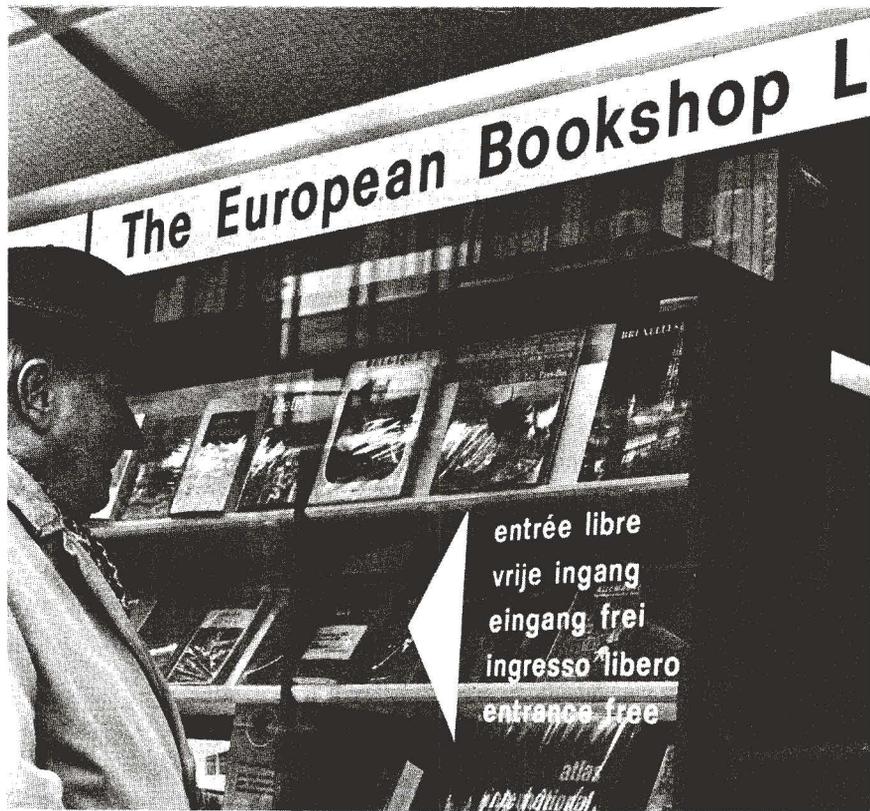
Throughout Brussels, the striking number of public signs in English announces the commercial importance Brussels has assumed since the EEC Commission opened its offices there in 1958, the influence of "Anglo-Saxon" business and the compactness and flexibility of English for the short, snappy phrases of modern advertising. Many other English and near-English usages adopted also preserve neutrality between the extremists in both the French- and the Dutch-speaking camps of Belgium's linguistic dispute. To extend the "Europeanization" of Brussels, Hugues du Roy de Blicquy has suggested the official use of English and the four Community languages (Dutch, French, German, Italian).

Mr. de Blicquy, an adviser to the Belgian Minister of French Culture and a municipal councilor in the Belgian suburb of Etterbeek, also proposes to give all citizens of the six Community countries residing in Brussels the right to vote in Belgium, first in local elections, later in provincial and national elections.

"Pentalingualism" would mean that all official inscriptions in buildings, all street names, and all public notices, documents and forms would be written in five languages. The police, roads departments, post offices, and other public services would work in all five languages. Mr. de Blicquy answers the skeptics by pointing to the experience of international airlines and to Switzerland, where some public services must operate in four or five languages.

Mr. de Blicquy proposes the use of all five languages in schools so that parents may have their children educated in their own language. A major public campaign would foster a wider knowledge of other languages. A public translation office would be at the service of government departments, business and the public. Belgium would have not just Dutch- and French-language television channels, but channels in the other three "official" languages.

Ambitious, controversial, and costly though this proposal may be, it would further develop the consciousness of the European idea among its people, Mr. de Blicquy believes. Reciprocal voting rights, he hopes, would eventually apply throughout the Community. In the interim, pentalingualism would offer a challenge to the citizens and municipality of *Brussels-Bruxelles-Brussel-Brüssel-Bruxelles*.



*The European Bookshop offers a pentalingual selection of books and periodicals.*



*Westerling invites customers to "drive in" for fire, accident, and life insurance.*

# Can Europe Avoid the Mistakes of

by J. W. HOLLATZ

*“Urban planning” has washed into American middle-class living rooms on a tide of commuter fatigue and bewilderment at the problems cities acquired during years of neglect. As the United States begins its first large-scale attempt to revive its older cities, Europe continues a search it began centuries ago, lacking the alternative of “moving farther out.” Auto traffic clogs the streets of every major city on both sides of the Atlantic. What priorities has Europe set to keep its cities livable?*

## The Rebirth of the City

Renewal of center-city areas is one of the most important tasks of urban planning in Europe today. Without it, the cities will lose their populations as well as their essential plurality of functions. “Center-city” designates the city’s central core of attraction and radiation, the focal point for administration, culture, and business. This area is the most sensitive to and dependent on the new requirements of the present and the future.

Many large European cities have service areas in the center. Paris, for example, has five of them which partially overlap: the center of Government, with the Chamber of Deputies and the Ministries; the business center, with the department stores and specialty shops; the cultural center, with the museums, opera, theaters, university, churches; the center of amusement and tourism; and finally, the city’s own administrative center. But London, Prague, Oslo, and other European cities do not consider this service area necessary in center-city. Hanover, for example, maintains that the separation of the city into functional areas, discourages customers, decreases business, and prevents the inter-penetration which the economy and the administration need.

Most public administrations must be in daily contact with other organizations, so the “city” is becoming more and more of an administrative center. Rome wants to keep its center-city just for public administration. Hamburg allows only administration buildings frequented by the public. The Netherlands welcomes only public or private administration buildings serving the greater-city area.

For the surrounding towns and villages, the European “city” is the center for services, such as banks, insurance companies, lawyers and other comparable experts, and is the source of consumer and luxury goods. The theaters, museums, concert halls, movies, department stores and shops, cafés and restaurants in the center of very great European cities are considered an integral part of its attractions. But usually, small industry and wholesalers are considered undesirable. Berlin and London want to keep only a small part of their garment industries in the center, their traditional location.

## Traffic Paralyzing the City

A slow paralysis is overcoming the Western European cities as private motor traffic devours every free surface and gets in the way of the public transportation vital to a city. To prevent



*“Private motor traffic devours every free surface and gets in the way of p*

traffic congestion from choking the center-city, European planners have launched a campaign to sell public transport to the public and are improving their facilities, especially by building or enlarging their subways. In addition, Rotterdam, Stockholm, and a growing list of other cities, restrict certain parts of center-city to pedestrian traffic. With the growing shortage of parking space, urban planners throughout Europe consider the construction of roomy parking lots and garages above and below ground essential.

## The Netherlands—Focus on Regional Planning

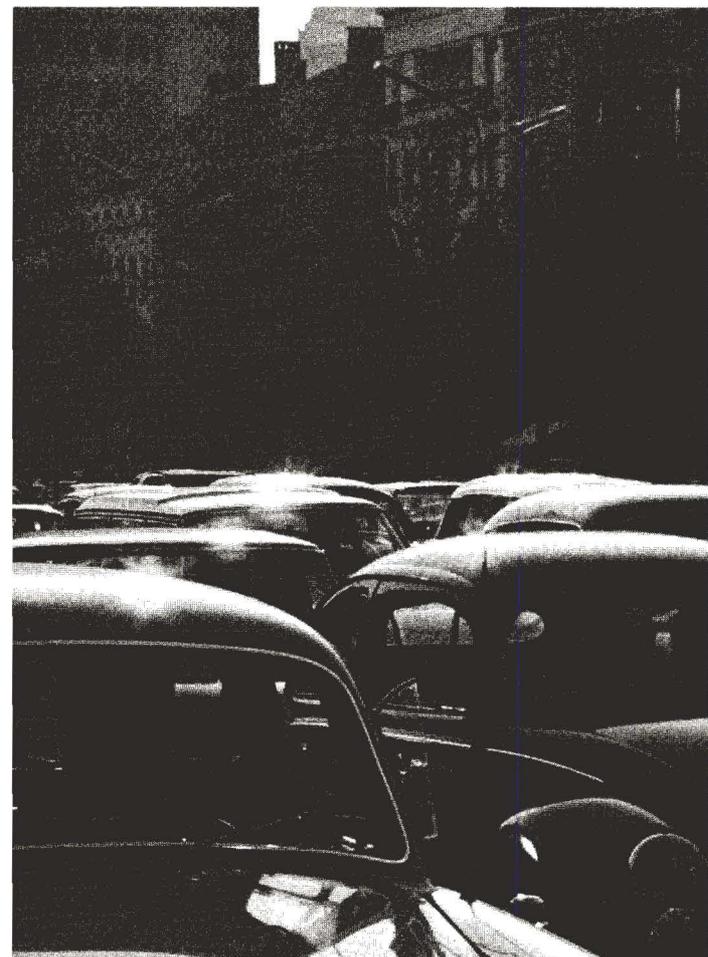
Regional planning underlies urban development in the Netherlands which has an extraordinarily high population density. Since the population explosion, enlarging the existing cities within a supra-regional urban plan has occupied Dutch city planners, but they have also created some new towns, such as Emmelord, on land reclaimed from the sea.

Rotterdam, with a road system designed for modern traffic, looks like the European city of the future since the post-war reconstruction of its center. Buildings now cover 31 per cent of the center-city, compared with 55 per cent before the war. By alternating areas for economic and cultural activities, the planners fully utilized the available land. To the south of the city lies a large green belt. The housing plans for 100,000 peo-

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**J. W. Hollatz**, advisor on urban problems for the cities of Venice, the Hague, Helsinki, and Basel, directed the reconstruction of Düsseldorf, Essen, Wuppertal, and Krefeld after the war. The author of numerous works on urban planning and traffic problems in the United States and Germany, Dr. Hollatz has earned worldwide repute.

# American Cities?



transportation.”

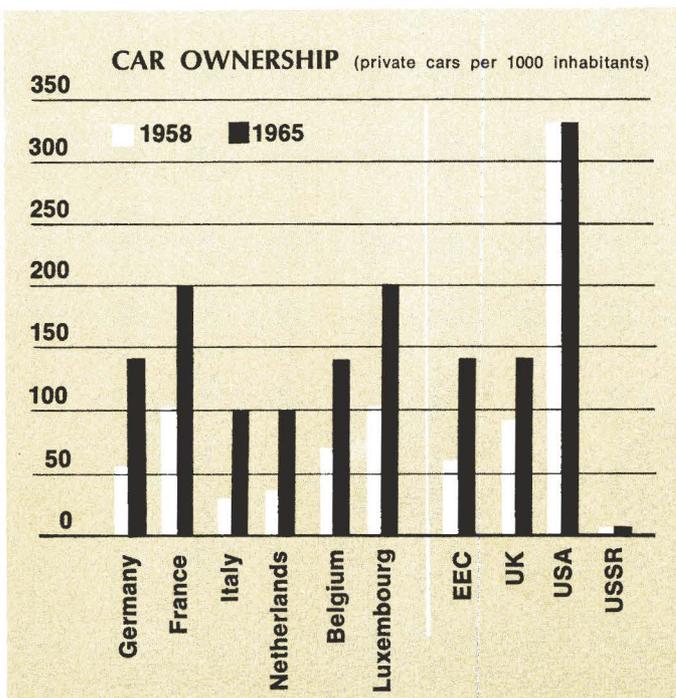
ple in Zuidwijk, Pendrecht, and Hoogvliet illustrate the great effort Rotterdam has made in urban architecture. The port, nerve of the city, the vital, is being enlarged for future world maritime traffic.

## Belgium—Attention to Outlying Areas

In Belgium too the second industrial revolution, the population expansion, and the increases in traffic have changed the face of the city and called new ideas to urban planning. Planners give greater consideration to the outlying areas of large cities. The renovation of Antwerp, for example, will extend the building area and the road network in every direction, and enlarge the port in the north of the city. Brussels has built elevated and underground highways so motor traffic can move through the city without crossing any intersections.

## France—The Renovation of Paris

In Paris as well as Marseille, Orleans, and other French cities, a great effort is being made to restore the old quarters and build modern new areas inside the cities. On the outskirts of Paris, the home of two out of ten Frenchmen, new living and working areas rise. To relieve almost intolerable traffic congestion in center-city, a circumferential expressway will switch part of the radial traffic into tangential traffic. Within Paris, many areas are being renovated. One of the largest, the *Défense*, will be finished in 1970. Built around a central park reserved for pedestrians, the *Défense* features a large exhibition hall, shops, office buildings, parking lots several stories high, and high-rise apartment houses with 5,000 dwelling units. The expressways tunnelling under the *Défense* contains delivery areas. Other such projects, planned or under construction, will transform and enrich the French metropolis without harming its historical



European planners consider greenery “an essential part of urban architecture, as important for the city’s atmosphere as for its citizens’ refreshment.” The Pont Adolphe, Luxembourg, seen from a park on the city’s ramparts.

and familiar aspects. However, some urban experts fearing still more drastic over-crowding of the city, would prefer to build another city to the south of Paris.

#### **Italy—Modern Ideas with Respect for History**

Italian urban planners, with their modern ideas in architecture, show great respect for their historical monuments, as the plan for the center of Rome shows. An inner beltway encircles the ancient city, the core of Rome and surrounding land, separated into several levels, has been fully used. Five main radial arteries feed into an expressway which crosses the city on a north-southwest tangent, connecting it with Ostia and the airport.

Tuscolanco, near Rome typifies the Italian approach to urban planning and the spatial and plastic effects they achieve. The stores, community building, and churches in the center of town are as much part of the plan as its green spaces and roads.

In modern Italy, private initiative also creates new towns, such as Zingonia, south of the Milan-Bergamo turnpike. When

completed, it will have a population of 50,000 and several hundred businesses. Two hundred showrooms and six high-rise office buildings with stores, restaurants, and banks have been built in the center, around a fountain 114 feet high.

#### **Germany—Late Start in Creative Rebuilding**

Poverty curtailed both the extent and the style of city planning in the Federal Republic of Germany immediately after the war, as did the legal difficulties involved in settling questions of property ownership. Modern ideas such as inspired the reconstruction of Rotterdam, were not used in Germany. A uniform legal basis for urban planning came only in 1960, with the enactment of the Federal Building Law, recognizing the vast urban renovations which economic and social changes required.

Regional planning now gives more attention than the traditional town ever did to housing, working and leisure facilities, traffic, and parking. Current efforts deal not only with the cen-

*The renovation of Brussels preserved historical monuments such as the Grand' Place dating to the 15th century (foreground) and the Sts-Michel-et Gudule Cathedral, rebuilt in the 13th century (background left).*



ters of cities, but of towns as well. Shopping centers and schools form an integral part of the new residential communities on the outskirts of many cities. In center city, new residential areas, such as the *Hansa Viertel* in Berlin blending high-rise with flat architecture, are replacing buildings ruined in the war or allowed to deteriorate. The location of buildings emphasizes green spaces and public gardens, playgrounds for children, sports fields, swimming pools, and small permanent gardens. Greenery is recognized as an essential part of urban architecture, as important for the city's atmosphere as for its citizens' refreshment.

Traffic, increasing at a menacing rate, is one of the most urgent problems in German cities today. Elevated and underground expressways and inner beltways have been designed to fit traffic patterns. For example, a circular turnpike links Berlin with Dortmund, Bochum, Essen and Duisburg in the Ruhr. In recent years, large cities have constructed parking areas above and below ground to separate moving traffic from parked or delivery traffic. The commercial streets in center-city have often been planned and reserved exclusively for pedestrians.

### The Approach of Countries Outside the EEC

New ideas from outside the Common Market too, especially England and the Nordic countries, have greatly influenced European urban planning.

Greater London, the model for many other cities in the world, planted satellite cities for 100,000 people within a 50 kilometer radius of London. However, these cities succeeded only partially in relieving crowded conditions in London. Many find their working class society too uniform, and their cultural offerings insufficiently citified.

These criticisms influenced the design of other model cities such as Cumberland, built for 70,000 people, 19 miles north-east of Glasgow, and Rochampton, a quarter built in London for 10,000 people. In Cumbernault, proximity was abandoned for the idea of a compact, rather densely populated city and onerous several-level traffic system. Rochampton contains more than 20 high-rise office buildings, several five-floor apartment buildings, numerous row houses, several schools, and stores, all carefully blended into the landscape. Old trees and carefully planned gardens give Rochampton an open and spacious feeling, despite its high population density.

Swedish urban architecture, beautifully adopted to the Nordic landscape, is exemplary, particularly in the capital. In the center of Stockholm, with its crown of high-rise office buildings, pedestrian and motor traffic are separated at several different levels. Vallingby and Farsta, two residential cities connected with Stockholm by a fast rail system, illustrate the principle of differentiated planning. High and low buildings are wisely alternated in the centers of both cities.

Nor should the Finnish influence on European urban planning be overlooked. In Helsinki, for example, on a lake not far from the Parliament, a cultural center was built containing an opera, a convention center, a library, and other cultural installations. Tapiola, 6 miles from Helsinki, is a garden city of 15,000 people. A church, a theater, and a shopping center dominated by a high-rise office building, are arranged around an artificial lake in the center of town.



*Expressways and circumferential beltways, such as the Autoroute du Nord connecting Paris with Le Bourget airport, divert traffic from center-city. Photo: Courtesy France Actuelle*

### Identical Goals Developing

Throughout Europe, urban planners are developing identical goals. By a process of differentiation and integration oriented towards the future, they are trying to preserve the "center-city" as the focal point of economic activities. They are planning modern and spacious buildings and complexes within a regionally integrated system, and creating satellite cities. But for an urban architecture answering the city's new needs the conventional means—financial, administrative, and legal—are inadequate. Thus ideas in urban planning must be constantly re-examined.

# A Day at the European School, Brussels

by FLORENCE SEINGRY

*I arrive at the European School in the morning with 2000 other pupils of 17 different nationalities. Most of us come by one of 20 chartered school busses.*

But the School didn't always have so many pupils. When it opened in September 1958, there were only about 30. Our classrooms were in a converted private home, and we felt like members of a large family. When I arrived in the first quarter of that year, there were about 60 of us. Until then, I attended the European School in Luxembourg, for the first, second and the beginning of the third primary grades. I lived in Luxembourg because my father had gone there to work in the European Coal and Steel Community. The first European School was founded in 1953 for the children of these officials. There, too, the first classes were held in a converted private home. Later, the Luxembourg Government put a new, ultra-modern building at our disposal.

In 1959, one year after the School opened, the Belgian Government bought an estate with a castle in Brussels. Prefabricated annexes were erected among the trees. By then, there were 800 pupils and the school was still growing, so more school buildings had to be added. In 1964 the Belgian Government bought another school site christened the "VILLA" by the pupils.

*It is now 8:14 a.m. My bus has arrived late and I must hurry to be in time for school; classes begin at 8:15 a.m. If late, we must go to the supervisors' office to have the word "LATE" stamped in four languages in our school records.*

*At the European School, pupils study their main subjects in their mother tongues, but use their second languages for history, geography, drawing, and history of the arts.*

One of the most original features of the European School is its four language sections. In the Franco-Belgian section for Belgian and French pupils, French is the mother tongue. Literature, philosophy, mathematics, physics, and all main subjects are taught by French teachers. Likewise, in the Italian, Dutch, and German sections these subjects are taught in the mother tongues. In the Franco-Belgian section, German, is the second language and is used in teaching history, geography, drawing, and history of the arts (in addition to the German language as a subject). In the Dutch, German, and Italian sections, the second language is French.

American children and children of other nationalities may chose among these four linguistic sections. The School is open to children of international officials and diplomats.

There are four teaching streams with optional subjects:

- Latin and Greek, with lower math and physics;
- Latin and modern languages, with lower math, physics, and a third modern language;
- Latin and math, with higher math and physics;
- Science with higher math and physics, and a modern language.

All four streams, however, take some subjects together, such as literature, philosophy (taught in the sixth and seventh forms), history and geography, biology, chemistry, and languages.





*"Our classrooms were in a converted private home, and we felt like members of a large family."*

*I hang up my coat and go into the classroom. My first class is about to begin.*

There are eight classes a day. The morning session lasts from 8:15 to 12:15 and consists of five 45-minute periods. In the afternoon, there are three classes, each 50 minutes long, and the school day ends at 3:45.

*My second class is German. About once a month our teacher takes us to the language laboratory where there are about twenty individual booths, each containing a tape-recorder and earphones.*

From his desk, the teacher can listen to the pupils and correct their mistakes. This is in the nature of a refresher course. But the main purpose of this laboratory is to help pupils who join the school without knowing a particular language. Depending on the pupils' aptitude, this rapid teaching method helps the pupil to attain the same standard as the other pupils of his form in one year. In some cases, there may be a leeway given of two or three years to catch up. There is another type of language refresher course. This is the audio-visual method. With this method we listen to conversations on tapes or records while watching a film corresponding to the conversations.

*My third class is gym. In physical education classes different nationalities are always combined. For example, Italians take gym with French pupils, or Germans with Dutch. (It must be said, however, that this activity isn't nearly as*

*"Most of us come to school by one of 20 chartered school busses."*





**Florence Seingry** will receive her diploma this summer from the European School in Brussels and enter a French university next fall. The daughter of a Community official, she has been educated entirely in European Schools.

highly developed as in the United States.)

After my third class I have a break of 15 minutes. The five primary forms meet on one playground, the three secondary forms on another, and the four graduation forms on the third. After these few minutes of relaxation, we still have a math and a French class. Then we break for lunch in the cafeteria.

Recess ends, and my afternoon starts with a study period when I either start my homework or study. Silence is compulsory.

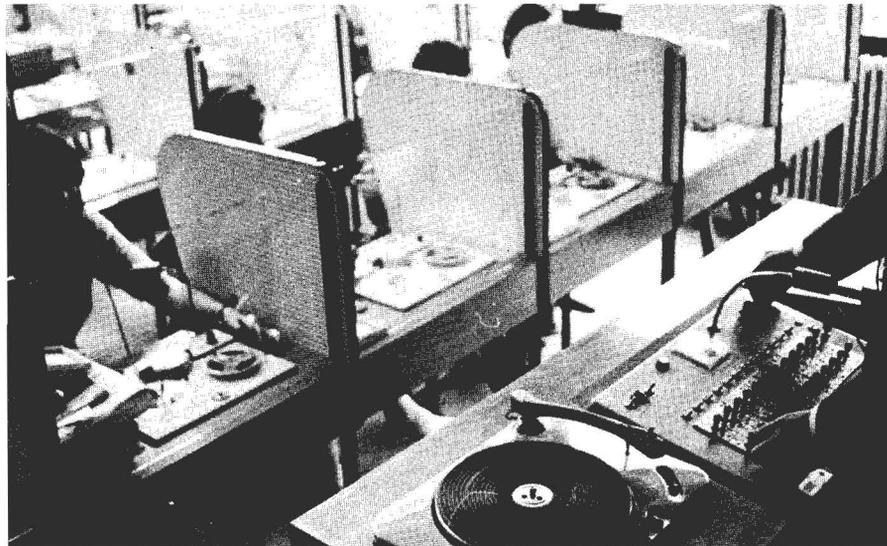
Only the seventh, or graduation, forms may go to the library during the study period. They have far more freedom than the other forms, but this is natural, in view of the difficult nature of their curriculum. There is no school trip for seventh formers as they must devote themselves fully to their studies. The graduation exams, which last 15 days, are held in June, and the results are announced during a solemn ceremony with speeches in four languages. Then the diplomas, drawn up in four languages, are awarded. The six Community countries and about six other nations recognize our diplomas.

Our second and third afternoon classes—physics and chemistry—are held in special classrooms, small laboratories equipped for experiments. When these classes finish, the bus takes us home, although some of us stay for extra-curricular activities.

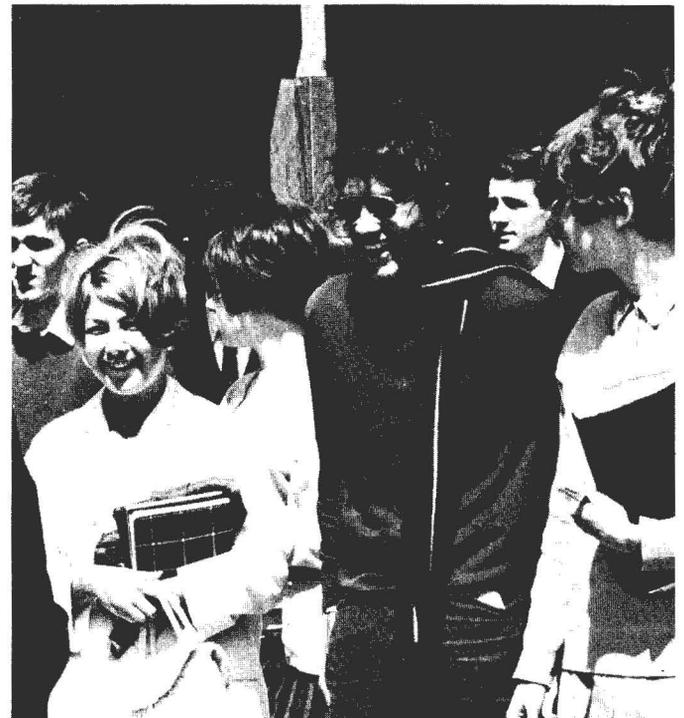
We don't have classes Wednesday afternoons or Sundays. Unlike most other schools in Europe, we are closed on Saturday mornings too so that both pupils and parents living far from Brussels can go to their home countries.

There are other European Schools in Karlsruhe, Varese, Mol, Ispra, that is to say, in Germany, Italy, Belgium, and Italy respectively. They all help us learn languages by contacts with pupils of different nationalities. But most of all they help us understand the customs and traditions of other nationalities. From this more fully "European" education, we are gaining a greater understanding of European problems. Thanks to the school, we will grow up to be the Europeans of tomorrow.

"From his desk in the language laboratory, the teacher can listen to the pupils and correct their mistakes." BELOW, members of the multi-lingual teaching staff relax in the faculty room.



After lunch, each one goes to the playground for his particular form. We mostly talk about the next school trip which may last from three to more than twelve days according to one's form and to the place to be visited. Countries visited include Holland, Germany, France, England and Italy. But we talk about our extra-curricular activities too. There are various clubs in the school, the main ones being a science club and a theater club. The shows, directed by the pupils themselves, are always very popular.



"We will grow up to be the Europeans of tomorrow."

# Europe's Coal and Steel Situation Reversed since 1951

## Excess Capacity Now Plagues Industries Which Were 'Under-Developed' 17 Years Ago

A complete reversal in the market situation for coal and steel since 1951 confronts the executive branch of the European Coal and Steel Community with new and difficult problems in two of Europe's basic industries.

The Fifteenth Annual Report of the ECSC High Authority, released in April observes that the period of acute coal and steel shortages which prevailed when the Paris Treaty creating the ECSC was framed has given way to excess production capacity in both industries. Consequently, the High Authority must grapple with the economic and social results of a situation unforeseen seventeen years ago.

The report notes that the executive branch today exercises the emergency provisions of the ECSC Treaty with increasing regularity to cope with strains in the two industries. It adds that problems have been further exacerbated by the three-year delay in merging the ECSC Treaty with the Common Market and Euratom Treaties.

During 1967, the High Authority indicates, its major concern for the contracting coal and iron ore mining industries will be to determine how much social assistance to give. For steel, where "incipient stagnation" is developing towards a world-wide "supply-demand imbalance," the High Authority will continue its attempts to persuade producers to gear their output to demand. However, if persuasion fails, the High Authority adds, more direct production controls may be necessary.

### ECSC Steel Prices Collapsed in 1966

The rapid expansion of new world steel-making capacity and the slow scrapping of older plants caused prices for steel to collapse in the ECSC, but not in other producing countries, according to the High Authority. Lower prices reduced company revenue during 1966, leaving less capital for modernization and reorganization. Investment projects declared during 1966, the High Authority said, totaled barely \$300 million, compared with the annual average rate of more than \$500 million since 1960.

"In the face of this disquieting trend," the High Authority said, it has tried to discourage companies offering "discounts of every sort" from selling more steel than the market can absorb. In its campaign of persuasion the High Authority has relied so far mainly on its quarterly program, issued after detailed discussion with the Consultative Committee (composed of representatives of employers, unions and consumers). However, the High Authority will in the future break down its forecasts by product and company, "to bring home to every producer just how matters currently stand in the market."

A Community decision requiring companies to furnish information on tonnages and prices quoted will shortly come into effect. Nonetheless, the High Authority emphasizes, this action does not exclude the possibility of more direct measures "to impose some degrees of discipline on the producers." Gradually concentrating top-level policy decisions in fewer hands, the High Authority believes, would strengthen discipline in the steel market.

Despite the steady trend towards greater concentration of production and distribution, the Community steel market is still more fragmented than the markets of other major steel producing areas. Whenever greater concentration would increase competition, the High Authority indicated it had endorsed it.

Since Community steel producers export about 20 per cent of their output, the High Authority said it had gladly accepted the British government's suggestion for a joint study of world market conditions, through the ECSC-UK Council of Association.

### Coal Undergoing Structural Change

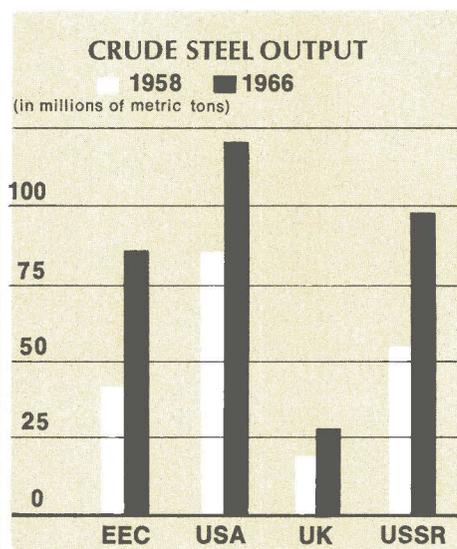
The Community coal industry faces completely different problems, according to the High Authority. ECSC coal consumption is plummeting faster than production can be cut back, without seriously hurting the miners and their families.

By 1970, the ECSC coal industries will mine 185 million tons, compared with 210 million tons in 1966. Despite the 6.2 per cent decrease in output during the year, the coal surplus again expanded. To prevent further increases, the Community countries agreed in November 1966 to compare notes periodically on their domestic sales, production, and trade in coal.

The major coal problem of the year—the cost disparity between imported coking-coal used in steelmaking and the more expensive ECSC product—was settled in February (see European Community No. 101). To help coking-coal producers in the Community retain their customers, the Six agreed to make up part of the difference between production cost and selling price for the coal in intra-Community trade from a Community fund. The individual governments will finance the rest.

### Stepping up Social Aid

Employment in both the coal and the steel industries declined last year. Reduced recruitment accounted for most of the 4 per cent drop in the number of steel workers. Employment in mining, however, fell by 62,000 men, or 10 per cent of the mining population. In addition, short-time working caused a production loss of 4.5 million tons of coal, twice as high as in 1965. "Active assistance with



readaptation and redevelopment is more necessary than ever to limit the social and regional impact as far as possible," the High Authority states.

High Authority loans for industrial redevelopment to absorb redundant coal and steel workers in five member countries amounted to \$17 million last year. Since 1952, the High Authority has lent \$46 million for this purpose. The High Authority's new commitments during the year amounted to \$55 million. To finance these and general investment loans to the coal and steel industries, the High Authority borrowed \$103 million on the open market in 1966, bringing its total loan capital raised since the Community's inception to \$662 million. Tiding-over and retaining allowances to the affected workers ran at the annual rate of more than \$10 million compared with \$3 million to \$4 million four years ago.

### No Surrender of Independence

Turning to the powers granted to it under the Paris Treaty, the High Authority comments that it has not relinquished its independence by working closely with the ECSC Council of Ministers. This cooperation, the High Authority states, is intended to provide Community-level modes of action beyond those provided in the Treaty. A complete reversal has occurred in the coal and steel situation since the Treaty organizing the market was drafted in the early 1950's. As a result, the High Authority relies increasingly on those Treaty articles which permit new policy departures, with the Council's approval. "Major revisions" of the Treaty remain subject to ratification by the six national parliaments.

The Treaty reposes on the basic operating assumption of competition, with the High Authority being empowered or obliged to intervene in specific circumstances. While the High Authority still believes that healthy competition is essential, "there are limits: it is necessary to know these limits and to ensure, by suitable corrective steps, that the process of adjusting to circumstances does not degenerate into general disorder."

## COMMUNITY TO IMPORT MORE THAN HALF OF ITS ENERGY NEEDS IN 1967

Imported fuels will supply more than half of the European Community's energy needs in 1967.

Oil will then furnish more than 50 per cent of its energy requirements, according to the annual forecast by the High Authority of the European Coal and Steel Community and the Commissions of the European Economic Community and the European Atomic Energy Community. Natural gas will continue to enlarge its share of the energy market, this year accounting for 5.2 per cent. Coal will continue to decline, to 31.4 per cent of the market.

### Energy Market Reflects Economic Doubts

The forecast places energy demand at 644 million metric tons, coal equivalent, in 1967, but recognizes that the market is passing through a period of uncertainty and instability as the result of downturns in the economies of several member countries.

During 1966, demand for energy expanded by 3.3 per cent to 618 million tons, coal equivalent, slightly below the forecast and usual rate of 4 per cent. The slower expansion of demand caused increases in the coal surplus, despite production cutbacks. Price reductions for gasoline were a new development, while fuel oil prices strengthened slightly. Natural gas, primarily from Dutch deposits, continued to strengthen, although its volume and price pose problems for other member countries.

In 1967, demand for oil will increase by 10 per cent, and for natural gas by 25 per cent. The market for Community coal will continue to shrink, by 3 per cent, or 7.2 million metric tons, if the steel industry's energy consumption again declines. In 1965, it used 61.2 million metric tons, coal equivalent. This year its requirements may drop to 57.7 million tons. Coke consumption for steel manufacturing dropped 3 million tons in 1966. Oil, particularly for injection into blast furnaces, gained by more than 10 per cent. In 1967, the steel industry is expected to reduce its coke consumption by an additional 2 million tons.

Despite mild weather, total energy demand for household uses grew by more than 3 per cent in 1966. Coke and coal sales continued to fall but less rapidly than in 1965. Forecasts for 1967 suggest a continued growth of around 4 per cent.

Natural gas will continue to penetrate the

market rapidly. Last year the growth in natural gas consumption averaged 15 per cent for the community as a whole, but nearly 50 per cent in the Netherlands. It is likely that demand for gas will increase very rapidly in the next few years in other countries, such as Belgium, the experts believe.

### Community's Energy Output Lags

The amount of Community-produced energy continued to fall in 1966, as reduced coal output was not fully offset by increased supplies of natural gas and nuclear-power.

The Community coal industry plans to provide 192 million tons coal equivalent in 1967, 7 million tons less than in 1966. If demand follows the forecast, a surplus of 13 million tons coal equivalent will result, 12 million of them in Germany.

The financial position of the Community coal mines varies between different coalfields, but the losses of the French and Belgian industries have risen considerably. The Governments of all Community countries are steadily increasing their financial assistance to the coal industry, both by extra social welfare costs and by more direct financial aid.

### Competition in Oil to Stiffen

For oil products, the big cut in gasoline prices in Germany, the Netherlands, and Belgium was the most striking development in 1966. The major oil companies made these reductions to maintain sales outlets as other firms cut their prices. Supplies remain plentiful on the market but competition for new oil concessions, greater demands by producer coun-

tries, and other factors are forcing up costs.

Community output of natural gas is rising rapidly and will total 25,000 million cubic meters (33.5 million tons, coal equivalent) in 1967, double the 1965 level. Known reserves of natural gas increased further in 1966 with new discoveries in Germany and Italy. Firm export contracts for nearly 20,000 million cubic meters of Dutch gas have been concluded for 1975 and sales of Dutch natural gas to Belgium should reach 500 million cubic meters this year. German consumption of natural gas should total 5,000 million cubic meters.

### Nuclear Power's Modest Role

Total installed electricity-generating capacity in the Community which rose from 104,000 MWh in 1965 to 111,200 MWh in 1966 is expected to reach 118,000 MWh by the end of 1967.

With continuing rises in production by classical coal, oil and gas-fired power stations, these methods should still comprise more than 70 per cent of the generating capacity at the end of the year. Despite government intervention in favor of coal, its share in this sector is falling, while oil and gas are supplying a rising proportion of total generating needs (see table below).

In 1966, the generating capacity of nuclear power stations more than doubled to reach 2,238 MWh. However, nuclear power's contribution to total electricity generation in the Community should represent only about 1.9 per cent of total output this year.

ENERGY REQUIREMENTS	<i>(million metric tons, coal equivalent)</i>			<i>Per Cent Share of Market</i>		
	1965	1966	1967 (forecast)	1965	1966	1967 (forecast)
Coal	225	208	201	37.7	33.7	31.3
Lignite	34	34	35	5.7	5.6	5.4
Oil	271	299	328	45.3	48.4	50.9
Natural gas	23	27	34	3.8	4.4	5.2
Primary electricity	45	49	46	7.5	7.9	7.2
Total	598	617	644	100	100	100
Community sources (of which coal)	322 (202)	311 (185)	310 (178)	53.8 (33.8)	50.4 (30.0)	48.2 (27.7)
Imports	277	306	334	46.2	49.6	51.8

## ECSC HIGH AUTHORITY PRESIDENT DINO DEL BO RETIRES

Dino Del Bo, President of the High Authority of the European Coal and Steel Community retired on March 1 because of ill health.

"His departure is a great loss to our institution," High Authority Vice President and Acting President Albert Coppé told the European Parliament on March 14. "The important agreements reached by the ECSC last month (see European Community No. 101) bore witness once more to the imagination and perseverance which President Del Bo brought to his office. I would like to pay due tribute here to his European outlook and political skill which have so often combined to help overcome great difficulties in highly delicate circumstances."

Mr. Del Bo had served as High Authority President since October 1963. He began his political life in 1948 when elected, as a Christian Democrat, to the Italian Chamber of Deputies. He was subsequently appointed Under-Secretary at the Ministry of Labor and, later, in the Ministry of Foreign Affairs. In 1959, he became Minister of Foreign Trade after serving as Minister responsible for relations between the Government and the Parliament.

Mr. Coppe joined the Community in 1952 as Vice-President. Consistently working to establish the first common market, for coal and steel, he has participated in every major decision.

## ROYAL DUTCH/SHELL STILL 'EUROPE'S LARGEST COMPANY'

Royal Dutch/Shell, the Anglo-Dutch petroleum company, still heads the list of Europe's largest concerns, published annually by the High Authority of the European Coal and Steel Community.

Unilever, also an Anglo-Dutch company, had the next largest turnover in 1965, followed by British Petroleum, the Italian state holding company IRI, and the British National Coal Board. In sixth place came Volkswagen, and the British Imperial Chemical Industries. A Dutch and a German electronics manufacturer—Philips N.V. and Siemens—held the thirteenth and fourteenth places, respectively. *Electricité de France* finished in fifteenth place.

## ECONOMIC UNION SEEN AS ESSENTIAL TO CLOSE "TECHNOLOGY GAP"

The technological gap between key industries in Europe and the United States will narrow only when the Community completes the economic union and repairs every broken link in its "technological chain," according to the three Community Executives.

Inadequacies at every stage slow the innovative process in the Community countries, states a joint memorandum by the Commissions of the European Economic Community and the European Atomic Energy Community and the High Authority of the European Coal and Steel Community. The Executives prepared the memorandum, "The Obstacles to Scientific and Technological Progress in the European Community," for discussions by the Councils of Ministers on a Community policy to promote scientific and technological research. Based on two reports to the European Parliament last fall (see European Community No. 98), the memorandum suggests that the Medium-term Economic Policy Committee report on the means of overcoming these obstacles.

### R & D Key to Europe's Future

Everyone today agrees that research and development influences economic growth, the Executives state, but for Europe, it holds the key to further productivity gains. The Community countries have depleted their manpower reserves, so that now their economic growth depends on "a sustained effort to introduce new and less costly processes and techniques or new and more profitable goods."

Except in times of war, the Community countries have always exported a greater proportion of their production than has the United States. To illustrate the importance of R & D spending for export sales, the Executives cite statistics from the U.S. experience. From 1962 on, the industries which accounted for 72 per cent of U.S. industrial exports devoted an average of 6 per cent of their total sales to research and development. The traditional industries, which spent 0.5 per cent of their sales on research, exported four times less. Community exporters now compete with "dynamic, profitable, well-managed," and research-oriented foreign international compa-

nies. Soon, the Executives emphasize, Community companies will encounter the same rigorous competition in their home market.

### Why Is Europe Behind?

Although some Community industries hold a technological lead over the United States, "Europe is behind," the Executives state, in the key growth industries. To the "computer gap," "the brain drain," the deficit on sales of patents and licenses, and other statistical evidence of Europe's technological gap, the Executives add another: the U.S. produces 80 per cent and exports 60 per cent. of the world's electronic equipment.

The European states can no longer consider the lag either temporary or limited to the lack of this technique or that process, the Executives maintain. Although Community industries could import new techniques and processes, this would "increase expenses and accentuate the gap." Furthermore, the Executives state, without a minimal research effort of their own, businesses can neither select nor exploit the most commercially promising discoveries. Scientific and technological research in the Community suffers from "a multiplicity of inadequacies, rigidities, and bottlenecks along the whole 'technological chain' from pure and applied basic research through development, mass production, and marketing both products and techniques." To correct these deficiencies, the Executives state, Europe must reorganize its whole world of science and technology.

### R & D Needs Incentive of a Large Market

However, the Executives emphasize, "Only further progress towards economic union will induce or force the structural changes a market of continental size requires." The U.S. market stimulates the research-innovation process by demanding and absorbing new technology and by fostering competition; but the Executives maintain, removing customs duties between the Common Market countries will not create this kind of market. Differences in the national technical standards, tax regulations, and other legal and administrative factors will perpetuate the *de facto* separation of the six markets. This *de facto*

separation also hides the need for Europe to make a greater research effort, the Executives stress.

In comparing the roles of the European and the U.S. Governments in financing research, the Executives find further cause for Europe's technological gap. European governments have neither helped finance research nor purchased the products of research to the same extent as has the U.S. Government. In fact, European governments have often propped up backward or dying industries "in circumstances which have had little rational justification."

By contrast with American corporations, European companies lack well-trained management and suffer from the slow diffusion of technological knowledge, the Executives point out. Occasionally, when foreign corporations acquire control of European companies they curtail or eliminate their research activities. Finally, the Executives say, while some inter-governmental research activities have met with limited success, cooperation at the level of industrial applications has proven more difficult.

### Concentrated Effort Urged in Certain Fields

Because of the impossibility of catching up with the U.S. in every sector, the Executives urge Europe to concentrate on strengthening its position in certain fields. Above all, they stress the importance of achieving the massive and integrated market necessary for modern research. In particular, they emphasize the need for:

- A tax policy to encourage growth;
- Allowances for depreciation and for research and development expenditures;
- A Community-company law and the removal of tax barriers to multi-national corporate mergers;
- A European patent law;
- Free movement of capital;
- The elimination of technical barriers by standardization, and
- A policy of non-discrimination by nationality in contracting public works.

## GERMAN PUBLIC TURNS TO FRANCE

German public opinion now favors close links with France according to *Institut Für Demoskopie*, a polling organization.

In March 1953, eight Germans out of ten wished to see their country cooperating particularly closely with the United States, compared with six out of ten for Britain, five to six out of ten for France, and two out of ten for Russia. In January 1967 a poll showed that eight out of ten Germans placed France first among the Countries with which Germany should have particularly close ties, compared with seven out of ten favoring the U.S. Britain was mentioned by five out of ten and Russia, by four out of ten.

The overall trend over these 14 years shows the U.S. clearly in the lead up to August 1963, when Britain and France were roughly neck-and-neck for second place. The latest poll shows France overtaking the U.S.

## EIB MAKES NEW INDUSTRIAL DEVELOPMENT LOANS

The European Investment Bank (EIB) has signed two new loan contracts, for a total of \$800,000, with the Hellenic Investment Bank and one for \$72,000 with the Government of Turkey to finance industrial projects.

The Hellenic Investment Bank (ETBA) will lend \$600,000 provided by one EIB contract signed on March 2 to the *Société Anonyme Shelman*, a Greco-Swiss wood-processing company to expand its plywood plant near Chalkis on the island of Euboia. This plant, which uses okoumé wood imported from Africa, will increase production for domestic consumption, enabling foreign exchange savings.

ETBA will lend *Industrie de Tissage de Soie Frères Triantopouli* the \$200,000 provided under the other contract, also signed on March 2. The proceeds will be used to build a finishing, dyeing and printing workshop at an estimated cost of \$600,000, at a

new cotton and rayon weaving mill in Kato-Kiphissia, 9 miles north of Athens. The plant will utilize Greek cotton, and most of its production will be sold domestically.

Both loans to ETBA are guaranteed by the Greek State and bear interest at an annual rate of 7 per cent.

The Government of Turkey will lend the \$72,000 provided by the EIB to *Mensucat Santral T.A.S.*, a leading Turkish cotton fabric producer. The proceeds will be used to construct a cotton spinning mill at Topkapi, a suburb of Istanbul, at a total estimated cost of \$1.95 million. By utilizing cotton waste, thus releasing cotton for export, this plant is expected to have a favorable influence on the Turkish balance of payments.

The contract was concluded on March 15, for 30 years with a seven-year grace period. It bears interest at the annual rate of 4.5 per cent.

## REGULATION FOR THE BLOCK EXEMPTION OF BILATERAL EXCLUSIVE DISTRIBUTORSHIP AGREEMENTS TAKES EFFECT

The Common Market Commission regulation for the block exemption of bilateral exclusive distributorship agreements takes effect on May 1, 1967.

The Commission of the European Economic Community adopted the final text of the regulation on March 14, 1967, after revising the draft text published in the Official Gazette on August 26, 1966 (see *European Community* No. 97). The version approved, considerably simplified in comparison with the draft, also drops the requirement that an agreement promote "effective" competition.

Article 85 of the Rome Treaty instituting the EEC contains the main rules prohibiting restrictive business arrangements. Exemptions from these prohibitions may be given under the conditions enumerated in Article 85 (3). Council Regulation No. 19/65 empowers the EEC Commission to grant by means of a regulation, blanket exemptions to bilateral exclusive distributorship agreements and licensing agreements meeting these requirements.

The new regulation concerns a large number of bilateral agreements notified to the Commission in accordance with Regulation 27/62 which instituted the procedure for exemption application. It will not apply to bilateral exclusive distributorship between firms in a single member state, since these are unlikely to affect trade between the member states. Exclusive distributorship agreements conforming to the conditions laid down in the new regulation will no longer have to be notified.

The block exemption is based on the consideration that such arrangements allow the entrepreneur to concentrate his sales operations, overcome linguistic and legal difficulties, and help to intensify a steady flow of goods combined with a more rational distribution. They also offer small- and medium-sized enterprises an opportunity to compete on markets otherwise beyond their reach. Such exclusive distributorships as a rule also

confer on consumers an equitable share in the resulting benefit, improving supply possibilities and implying advantages from more efficient distribution.

### Other Restraints on Competition Covered

In addition to the exclusive distributorship clause, contracts qualifying for exemption may contain two other restraints on competition:

- The obligation neither to manufacture nor offer for sale goods competing with the products covered by the agreement during its life and up to one year after its lapse.
- The obligation not to prospect for consumers in respect to the products covered by the agreement, not to set up establishments and not to maintain stock outside the area covered by the agreement.

Agreements containing any other restraints will not qualify. In particular, a manufacturer may not conclude exclusive distributorship agreements with a manufacturer of a competing product, nor may the agreement make it more difficult to acquire these products through other outlets in the Common Market. Imports by others than the exclusive distributor must remain possible legally and in practice, and no industrial or other property rights may be used to hamper such imports.

The Commission may establish an ordinary cartel procedure and withdraw the advantages of block exemption for the future, if there is reason to believe that:

- The products covered by the agreement are not competing with similar products in the area covered by the agreement;
- Access to the sector of activity of the exclusive dealer is barred to other dealers;
- The exclusive dealer exploits the block exemption to sell the goods covered by the agreement at prices higher than warranted, or to prevent groups of purchasers from obtaining supplies, without good reasons.

## EURATOM TO SHARE EXPENSES FOR STUDY OF DELAYED RADIATION EFFECTS

The Commission of the European Atomic Energy Community (Euratom) will pay half the costs of a \$145,000 study of delayed radiation effects in man. The German Federal Ministry for Scientific Research will provide the other half.

Under a contract with the Euratom Commission, the German Cancer Research Center's Institute for Nuclear Medicine in Heidelberg will carry out a three-stage study on the human effects of artificial irradiation. Researchers will first measure the dosages a group of people received in radiation treatments 20 years ago. They will then examine the subjects for delayed effects. Finally they will compile the results of the studies to establish any correlations between the dosage received and its biological effects.

## EEC REDUCES TARIFFS ON U.S. POLYSTYRENE AND SYNTHETIC FABRICS

The Council of Ministers of the European Economic Community has responded to the U.S. withdrawal of safeguard measures for glass and carpets by withdrawing some of the retaliatory measures it had imposed on U.S. exports.

A Council decision on April 11 reduced the common external tariff on American polystyrene from 40 per cent to 20 per cent, and on U.S. woven fabrics of man-made fibers, from 40 per cent to 35 per cent. In making these reductions, the Council expressed satisfaction at the American action but called to the attention of American authorities that the Community attaches great importance to the withdrawal of other safeguard measures taken in 1962, particularly those applicable to carpets.

## GERMAN STEEL PRODUCERS TO FORM FOUR JOINT REGIONAL OUTLETS

Steel producers in the Federal Republic of Germany will soon replace their 31 sales and distribution outlets with four joint regional agencies.

In announcing approval of this cost-cutting plan on March 15, the High Authority of the European Coal and Steel Community emphasized the strict competitive safeguards each agency must observe. The four agencies—Westphalia, North, West, and South—must operate completely independently of each other and furnish the High Authority with information on the savings effected by the cooperative effort. The steel producers themselves may not reveal any details of their agreements to third parties without the express consent of the High Authority.

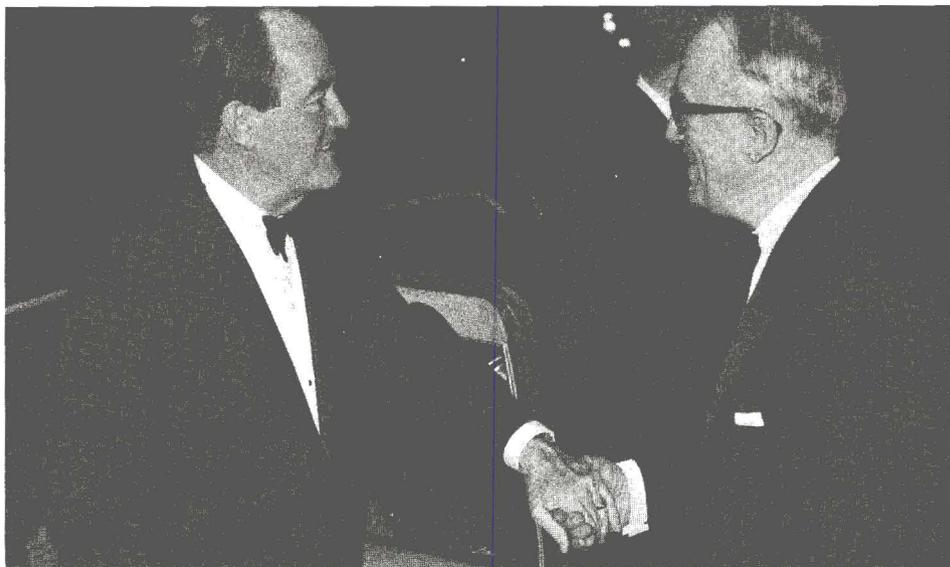
Group West produces 17.6 per cent of the total ECSC crude steel output; Westphalia, 11.6 per cent; North, 9.2 per cent, and South, 9.5 per cent. The joint sales agreements cover semi-finished, finished, and intermediate steel products, but neither seamless nor welded tubes. Quotas determine each participating manufacturer's share of sales. Within general agency pricing policies, each manufacturer will determine the prices of individual products.

## UNICE URGES LIBERAL POLICY TOWARDS AMERICAN INVESTMENTS

The Union of Industries of the European Community (UNICE) has urged Europe to take "a positive and liberal attitude" towards American investment in Europe.

The importance of American investments in the Community in relation to national investments and general economic activity "in no way justifies the apprehensions that some have tried to generalize," UNICE said in a policy paper issued March 1. American investments bring new techniques to Europe, stimulate competition, and assist the balance-of-payments positions of the Common Market countries, the paper said. The statistics available from official and unofficial sources in Europe and the U.S. would seem to indicate that "neither the size nor the disposition of American investments raises any problems of a general nature." Although U.S. business has increased its calls on the European capital markets, "European industry does not envisage the necessity of taking restrictive measures of a general nature."

UNICE said it would welcome investments which strengthen the structure and potential of European industry, especially by technical or technological support; create new activities, particularly in underdeveloped areas; or involve European companies in ventures which bring in capital, technology, market know-how, or other benefits. Finally, UNICE emphasized the necessity of facilitating contacts between American and European industrialists, so that "American investors will more readily understand the economic and social context in which their activities are being exercised."



EEC Commission President Walter Hallstein welcomes U.S. Vice-President Hubert H. Humphrey to a dinner in his honor given on April 8 by the EEC and the Euratom Commissions.

## COURT OF JUSTICE ANNULS EEC COMMISSION CEMENT CARTEL DECISION

The European Court of Justice, Luxembourg, has annulled a provisional ruling of the Common Market Commission that the agreement notified by Noordwijk (NCA) cement cartel did not qualify for exemption from the Community's antitrust regulations. The announcement of the Court's decision of March 15 was made in Brussels on March 23.

The agreement concluded between 44 German, 28 Belgian, and two Dutch cement manufacturers in 1956 divided the market by assigning quotas and fixing prices and sales conditions, activities forbidden by Article 85 (1) of the Rome Treaty instituting the European Economic Community. The agreement was notified to the EEC Commission to obtain an exemption from the bans of Article 85 (1), as provided in Article 85 (3), and as elaborated in Regulation 17/62. Notification provided amnesty from fines and protected the agreement from being rendered null and void under Article 85 (2), pending decision.

On December 14, 1965, the EEC Commission made the preliminary ruling that the agreement did not qualify for exemption. On January 3, 1966, the head of the Commission's Competition Directorate General so advised the companies involved, in a form

letter. Six weeks were allowed to amend the sections of the agreement which violated Community antitrust policy. At the end of that time, the immunity from fines allowed by Regulation 17 would lapse, and the offending sections of the agreement would no longer be enforceable, according to Article 85 (2) of the Treaty.

The parties to the agreement brought suit against the Commission on the grounds that although the preliminary ruling had the same legal effects as a decision, the Commission had not given them a hearing. In addition, the plaintiffs argued, the Commission had not stated its reasons in the note advising of its preliminary ruling to refuse exemption.

The Court found for the plaintiffs. The preliminary ruling, it held, changed the legal status of the companies involved, by terminating the legal effects of the agreement and exposing them to fines. Neither the absence of the term "decision" in Regulation 17, nor the provisional nature of a preliminary ruling excuse the abrogation of the individual's right to a hearing under law. In concluding, the Chief Justice said that as the result of the Commission's serious procedural error, no legally binding decision had been made.

## EEC COMMISSION APPROVES \$1.9 MILLION FOR 13 SOCIAL FUND GRANTS

Belgium, Italy, Luxembourg, the Netherlands, and the Federal Republic of Germany will receive \$1.9 million in reimbursements from the European Social Fund, covering half of their expenses for retraining and re-employing 6,809 workers.

On March 27, the Commission of the European Economic Community approved these payments from the Social Fund for 13 projects. Of the \$1.9 million, the Netherlands will receive \$1.08 million benefiting 1,106 workers. Italy will receive \$775,466, benefiting 5,630 workers; Germany, \$32,321 for 64 workers; Luxembourg, \$4,065 for four workers, and Belgium, \$2,001 for five workers.

Per capita benefits paid by the Social Fund differ because each country's system, revenues, and costs for retraining and relocating workers vary.

## BRITISH FARMERS BUY SHARE IN EUROPE—SIGN AGREEMENTS WITH EUROGRAIN

Farmers' Overseas Trading Ltd., a joint company formed by nine of Britain's main farming cooperatives, has acquired a holding in Eurograin of Hamburg, founded to facilitate agricultural trade between the Community and other countries.

The agreement between Eurograin and the British farm organization, with headquarters in Ipswich, will link the continental center and the controlling British cooperatives. Their agreement covers trade in grains and potatoes initially but may later be extended to livestock, fruit, and vegetables. Eurograin will telex market and price information, and offers and acceptances to its members.

## PUBLICATIONS AVAILABLE

LE CONTRAT DE TRAVAIL DANS LE DROIT DES PAYS MEMBRES DE LA CECA. *Collection du Droit du Travail*, Haute Autorité de la CECA, Luxembourg, 1965, 727 pp. . . . \$8.00

*The latest publication in a series of studies of the principal aspects of labor law in the Community countries. Consists of six national monographs and a final report which compares the legislation of the member countries. Authors of the study are Guillaume Camerlynck, Paul Horion, Gerhard Boldt, Luigi Mengoni, Armand Kayser, and Marius G. Levenbach.*

STEEL CONGRESS 1965: PROGRESS IN STEEL PROCESSING. High Authority of the ECSC, 1966, 715 pp., illustrated . . . \$15.00

*Proceedings of the High Authority's second Steel Congress held in Luxembourg October 26-29, 1965. The following subjects were considered by the Congress:*

- Steel and industrial design
- Surface treatment of steel
- Cold-forming of steel
- Modern jointing and assembly techniques
- Problems of steel utilization in emerging countries

EUROPEAN INVESTMENT BANK ANNUAL REPORT—1965. EIB, Brussels, 1966, 91 pp. . . . free

EEC WAGES—1964. *Social Statistics*, 1966, No. 5, Statistical Office of the European Communities, Brussels, 445 pp. . . . \$2.00

*Available in a single French/German edition. The results of the sixth survey of wage costs in the EEC. The same 13 industries that were studied in 1961 are the subject of this report.*

TOWARDS POLITICAL UNION. *Community Topics*, No. 25, European Community Information Service, Brussels, 1966, 75 pp. . . . free

*A selection of documents on political union from the Foreign Ministers' communique of November 1959 to the Franco-German Treaty of 1963.*

REVIEW OF THE LONG-TERM ENERGY OUTLOOK FOR THE EUROPEAN COMMUNITY. *Bulletin of the European Coal and Steel Community*, No. 61, High Authority of the ECSC, Luxembourg, April 1966, 62 pp. . . . \$ .60

*A short survey of recent developments in the energy sector, prospects for 1970, and expected trends in supply and demand through 1980.*

THE ECONOMIC SITUATION OF THE COMMUNITY IN 1966 AND THE OUTLOOK FOR 1967. Address by Robert Marjolin, Vice President of the EEC Commission, February 2, 1967, 24 pp. (mimeographed) . . . free

### CORRECTION

*European Community* apologizes to Andrew Shonfield for inadvertent editing errors which distorted his article "The Rome Treaty as an Instrument of International Relations," issue No. 101. Page 9. Column 1, line 26 should read "experience for any future incumbent of No. 11 Downing Street;" line 51 should read "some measure 'internalized,' is unlikely to occur unless".



## COMMUNITY PAVILION AT EXPO 67 TELLS STORY OF EUROPEAN UNIFICATION

The European Community pavilion at EXPO 67 illustrates the influence of European civilization on "Man and His World," the theme of the Montreal World's Fair.

The stainless steel pavilion on the Ile Notre Dame, a man-made island in the St. Lawrence River tells the story of European

unification and economic and social progress since the establishment of the first European Community, for coal and steel, in 1952. Its designers' choice of steel as their medium recalls the role of the ECSC in this movement, which EXPO 67 plans to celebrate on September 10, "Europe Day."

Visitors to the pavilion may browse through a wide selection of books on European integration, view European *objets d'art* assembled for EXPO 67, purchase recordings of European music in the *discothèque*, and sample a variety of typically "Common Market" dishes in the restaurant.

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