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COVER: A "European" landmark, the Farnese Palace, Rome, Italy. Here the Treaties creating the European Economic Community and Atomic Energy Community were signed (*see story page 10*). PHOTO: Courtesy Istituto Geografico de Agostino. From: *The Complete Work of Michelangelo*, Istituto Geografico de Agostino, Novara, Italy, 1967, Illustration 187, page 360.

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Industrial Policy, Public Procurement, and Multinational Industry

GUIDO COLONNA DI PALIANO

Mr. Colonna was a member of the European Communities Commission from September 1964 until May 1970, when he resigned to assume the presidency of La Rinascente, Italy's largest chain of department stores. This article was adapted from his testimony on July 27, 1970, before the Subcommittee on Foreign Economic Policy of the Joint Economic Committee of the U.S. Congress.

THE INDUSTRIAL POLICY SUGGESTED by the Commission of the European Communities consists of a gradual approach that should promote European industrial and technological development and further the expansion of international trade and investment. The first, and urgent, step in this direction would be the completion of the Common Market as a common outlet for all goods and services, whether bought by public or private purchasers.

Government procurement is bound to increase rapidly as a result of the explosion of social demand. The *de facto* preference granted by national authorities to their own industries must therefore end. The Commission has the authority to enforce the rules of the Treaties against discriminatory practices; but national public procurement procedures, particularly for certain sophisticated products, are such that the enforcement of the common rules is not always easy or possible.

A start must be made with procurement procedures for products of certain technologically advanced sectors which allow the public purchaser the greatest degree of discretion. Most nation states want to promote the growth of technology-intensive industries within their own boundaries, for fear of losing out on the rewards given those who are capable of exploiting technological progress and trained to do so. In my opinion, this is a legitimate preoccupation. However, the individual states of the Community are not large enough to allow the emergence of productive structures with the financial and managerial capabilities necessary to manufacture technology-intensive lines.

The Commission's Solution

Governments often explain their restrictive attitude about admitting extra-national competitors to tenders by insisting on the need to secure at least a partial return on their investments, made in the form of support given for research and development activities (R & D). Thus, the Commission has suggested that the problem of liberalizing public procurement in advanced sectors should be attacked at two points: where the support is provided and where the goods become available.

First of all, the Commission suggested that the Community should finance R & D in certain technologically advanced sectors to nip in the bud the national authorities' inclination to reserve their market for their own industry. Community support, granted on the basis of joint selective decisions, could also be used as an incentive for encouraging industrial firms from different member states to form long-term joint ventures.

The Commission also suggested that the national authorities compare and synchronize their medium-term purchasing programs for certain items, with a view to transferring increasingly larger parts of the consolidated procurement program from the current restrictive practices to non-discriminatory procedures.

The response of European firms to these proposals is still to be assessed. The choice between the short-term advantages of protectionism and the long-term advantages of free competition is always a difficult one. The authorities' response appears to be generally positive but cautious; some time will be needed before reaching any conclusion.

Multinational Corporations

The question arising in regard to subsidiaries of non-European corporations doing business in the European Community seems to be how they will use the influence which they can bring to bear on national authorities.

These subsidiaries, while belonging to powerful multinational organizations capable of developing worldwide strategies for the production and marketing of their technology, are also able to share with national industries the advantages of national preference in public procurement. Hopefully, these organizations will not oppose the suggested course. Their cooperation would be convincing evidence that multinational corporations are willing and able to reconcile their efforts for maximizing their opportunities with the loyalty they owe to the policies of the host countries. In our case, the host countries are the members of the Community.

Another problem causing the Commission great concern is the multiplication of state subsidies. These are granted to industries threatened by market changes or new technological processes, and to plants in areas facing difficulties either because of underdeveloped or obsolescent industrial structures or because political frontiers interrupt their natural economic cohesion.

In many instances, the Commission's powers to resist this trend and to enforce a common discipline are limited. The risks entailed are obvious: competition between national markets where the authorities treat industry differently could become intolerable, and needed resources are wasted supporting less productive activities while discouraging the transition to more remunerative ones.

The Commission feels that this trend will be gradually reversed; industrial reconversion and regional problems should be considered as affecting the Community as a whole and solved accordingly.

It would be desirable if subsidiaries of multinational corporations maintained policies favoring a consolidation of the Community and against national self-interest, even though this posture could reduce bilateral bargaining power with the national and local authorities.

Industrial Structure

The Commission also suggested the establishment of a common policy for industrial structures. Industry in highly developed societies tends toward oligopoly when markets go beyond national boundaries. For industry in the Common Market, the creation of a customs union acts as a powerful incentive in this direction.

However, in the past, most concentration in the Community has been restricted either to firms of the same nationality or to mergers with firms with headquarters outside the Community. This trend is inconsistent with the objective of developing a competitive industrial structure in the Community. Concentration restricted to a national area cannot lead to the optimum conditions required in certain advanced sectors. Concentration through mergers with multinational corporations based outside the Community often exposes the Community to heightened

competition without directly reinforcing its competitive strength by improving the structure of its industry. In addition, the emergence of national industrial empires controlling the largest share of national production in any given field could work against the Community's ultimate objective: the fusion of its national components into a single political entity.

The current trend would increase the danger that competition between firms irrespective of their nationality, the premise on which the Community was founded, might degenerate into competition, rivalry, and potential hostility between member states. This is why the Commission stresses the urgency of joint decisions to establish a common legal, fiscal, and financial framework conceived for a Common Market of continental dimensions.

The "European" Company

The Commission has been promoting, for years, a "Statute for the European Commercial Corporation," which would enable companies engaged in industrial, commercial, and banking activities in the six countries to be subject to identical corporation laws and a single jurisdiction. (See *European Community No. 137, page 4.*) The Commission recognizes, however, that the absence of a common body of laws, although an important factor, is not the only explanation for the present situation.

"Multinational enterprises were born to utilize, with ever increasing efficiency, resources such as raw materials, capital, management, and research." Britain's Dunlop Tire and Rubber Corporation which announced plans last spring to join with the Italian company Pirelli to manufacture tires, is a typical multinational corporation, operating around the world. Shown here, the Dunlop plant in Hanau, Germany.

PHOTO: Courtesy of Dunlop Tire and Rubber Corporation, Buffalo, New York.

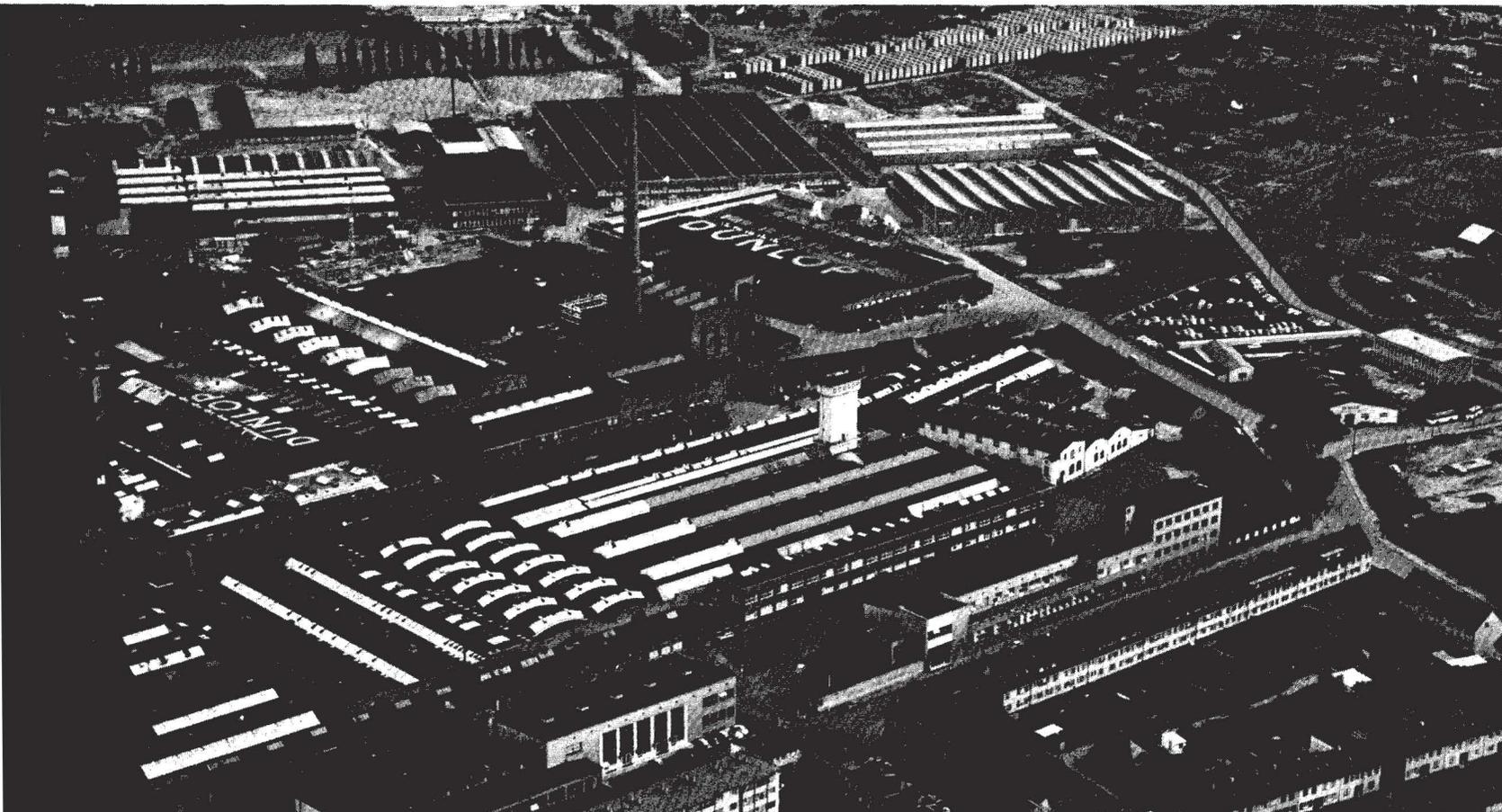
National authorities are vested with the power of deciding, on the basis of the overall national interest, whether and on what conditions a merger can take place. The Commission suggests that these discretionary powers be gradually transferred from the national level to the Community.

Governments are invited to start with periodic discussions of the criteria used in exercising these powers. The question is not whether national authorities should have more or less discretionary power to influence the way industry can achieve more competitive structures. This is an option which is bound to remain open; policies in this respect shall be more or less liberal according to the prevailing trends in responsible public opinion.

The Commission does not advocate the transfer of nationalism and protectionism to the Community level; it firmly opposes nationalism and protectionism of any kind. The Commission therefore is trying to persuade the member states to achieve Community goals fully according to the initial design and without reservations.

U.S. Subsidiaries' Contribution

The Commission appreciates the invaluable contribution of non-European corporations, in particular U.S. corporations. Their investments in the Community have, in fact, favored an



expansion of our economies, an increase in our employment, the adjustment of our regional imbalances, and finally, the enhancement of our capacity for a rational utilization of innovation and technological progress and our disposition to acquire modern managerial techniques. However, because the benefits entailed in international investments, in particular American investment, are so attractive, the Commission is concerned lest they become the origin of disruptive forces within the Community. Thus, the Commission advocates that the Community and not national and local authorities be vested with whatever responsibility is entailed in the control of these investments.

I am aware that the approach recommended by the Commission in the memorandum on industrial policy raises practical questions as to the treatment of the subsidiaries of corporations based outside the Community. I have mentioned a few of the points where there appears to be a connection between our proposed common industrial policy and international investments; there are others, of course, for instance in the field of finance. These matters are so important in the overall context of the relations between the United States and Europe, and for the further development of the European Community, that they could very well be a particular subject of discussion between the two parties within an appropriate framework.

Global Vision Needed

An American newspaper widely read in Europe recently carried a headline stating that the United States and the European Community are on the brink of a trade war. This is not pleasant reading for anyone convinced as I am that there is a fundamental and indivisible identity of long-term interests between the United States and Europe. One cannot but feel that the conflicts which are at the origin of the present situation are of limited relevance when related to the global relationship across the Atlantic. I do not mean to say that these conflicts should be disregarded because they refer to limited economic sectors in the United States and Europe, representing only a marginal factor in the creation of wealth in our respective countries.

The isolated consideration of sectorial issues may reach such a level of intensity as to create new and far more serious problems. In a climate of sophisticated interdependence, one in which highly industrialized societies must secure their evolution, all issues hang together; and this goes also for international investments.

I would propose that we Europeans should persuade our American friends to help redress an unbalanced situation by placing these problems in a global context. Our industries are far more apparent on foreign markets with their visible exports than with their subsidiaries. As a result, Europe is more vulnerable to any restrictive measure of international trade which may be taken by our trading partners. This also means that we cannot, in any comparable degree, surmount tariff and non-tariff obstacles, take full advantage of public procurement, adjust our production to the specific circumstances of any given market. We cannot, in other words, benefit from the same advantages enjoyed by our American competitors whose earnings from international investments are a welcome contribution to the positive side of the balance of payments.



Guido Colonna di Paliano (center) talks with Hale Boggs (right), chairman of the Joint Economic Committee's Subcommittee on Foreign Economic Policy, and Charles P. Kindleberger of the Massachusetts Institute of Technology before testifying before Rep. Boggs's Subcommittee on July 27.

Multinational Management

We could certainly use a discussion of this kind also to exchange information and consult with each other on the problem of antitrust policies connected with international investment. The problem of political control of corporations which, because of their worldwide operation, do not fit precisely into any national legislative framework, and tend to appear—even without justification—at odds with national or regional economic development programs, can only be settled through negotiations between the two most industrialized areas in the world. The outcome of these talks could be an improvement of what appears to be the most efficient instrument of development in an advanced society.

Multinational enterprises were born to utilize with ever increasing efficiency resources such as raw materials, capital, management, and research. But how many of these corporations can rightly be called "multinational," and how many are merely large enterprises operating in various markets? An enterprise is truly multinational when not only its body of stockholders is at the international level, but—more importantly—when the investment and the market strategies are set forth by decision-making bodies of a multinational nature.

Only an internationalization of these top-level organs can guarantee a fulfillment of the responsibilities assumed by the multinational corporations toward the countries in which they choose to operate.

Answer to Farm Reform Critics

SICCO L. MANSHOLT

Commission Vice President Sicco L. Mansholt was the main architect of the European Community's common agricultural policy.

ON DECEMBER 10, 1968, I put before the European Communities Council of Ministers a memorandum on the reform of Community agriculture. The policy followed hitherto in the Europe of the Six had brought about an absurd state of affairs: huge sums were being spent in bolstering the prices of surplus products, and huge sums were being spent by the member governments on structural improvements which did nothing to remedy our real agricultural problem: the fact that farms are too small. At the same time farmers' incomes and standards of living were lagging further and further behind those of other segments of the population.

To try to do something about this, I drew up for the Commission a program entitled "Agriculture 1980," which provided for:

- a different price policy, aimed at restoring more normal interaction between market and price trends
- radical structural measures to promote the development of farms of viable size and enable the farming population to live as comfortably as everybody else.

The basic premise of the plan is that the number of persons working on the land should be reduced by five million. This exodus is to take place in an orderly manner, accompanied by all the necessary action to provide financial assistance and create new jobs. The allocation of structural improvement aid among those who did not leave would be progressively concentrated on farms large enough to pay their way. Twelve million acres of the land now farmed in the Community would be taken out of cultivation.

The plan is an integrated set of proposals based on evaluation of the current situation and the forecasts for the next ten years. It shocked the public and has brought an avalanche of criticism from political organizations and politicians, not all of them primarily concerned about agricultural interests. This memorandum is only a proposal for discussion. Farmers' unions and the competent authorities in the six countries have studied it, and we have received a number of thoughtful comments and criticisms which will help us to improve the original version of the plan. We are also receiving many highly favorable reactions, but a great deal of adverse criticism still persists on certain points, which need some clarification.

Criticisms

The complaints go something like this: "Why didn't you act as soon as you saw that policy was leading to disaster? Your 'large farm' policy will only produce bigger surpluses. It is psychologically impossible to halt the rise in farm prices when the price of everything else is going up. You are technocrats. Your plans are inhuman. You are attacking the small family farm, you want collective farms. You are putting the cart before the horse by reducing the agricultural population without making sure that new jobs in industry will absorb the people. You are out to centralize, to increase the Communities' powers at the expense of the member states'. You couldn't possibly finish in 10 years. Your reforms will be far too expensive for the member countries' economies."

Why Was Nothing Done Earlier?

Why did we wait so long in proposing a solution? Mainly because the member governments would not hear of it. In its first

memorandum, the so-called "Green Bible" of 1960, the Commission proposed a comprehensive policy covering not only pricing and market organization but also structural reform, which the Council never tackled. When the Common Agricultural policy took shape, it covered only pricing and market organization. The governments had jealously kept the structural side in their own domain, thereby depriving the farm policy of an essential element for its success. Nevertheless, the arrangement might have worked had the governments pursued effective structural policies in their own countries, aligned with the pricing and market policy they had agreed to follow at Community level. They did not.

Worse still, high prices were used to solve the social problem of agricultural incomes. This price policy, based on consensus politics rather than economics, has taken us to the end of the road, with structural surpluses costing astronomical amounts. Dairies churn out subsidized butter regardless of the needs of the market; no one worries about packing the stuff, because no matter whether it is bought, stored, sold cheaply, or destroyed, the producer gets the guaranteed price.

Myopic Nation States

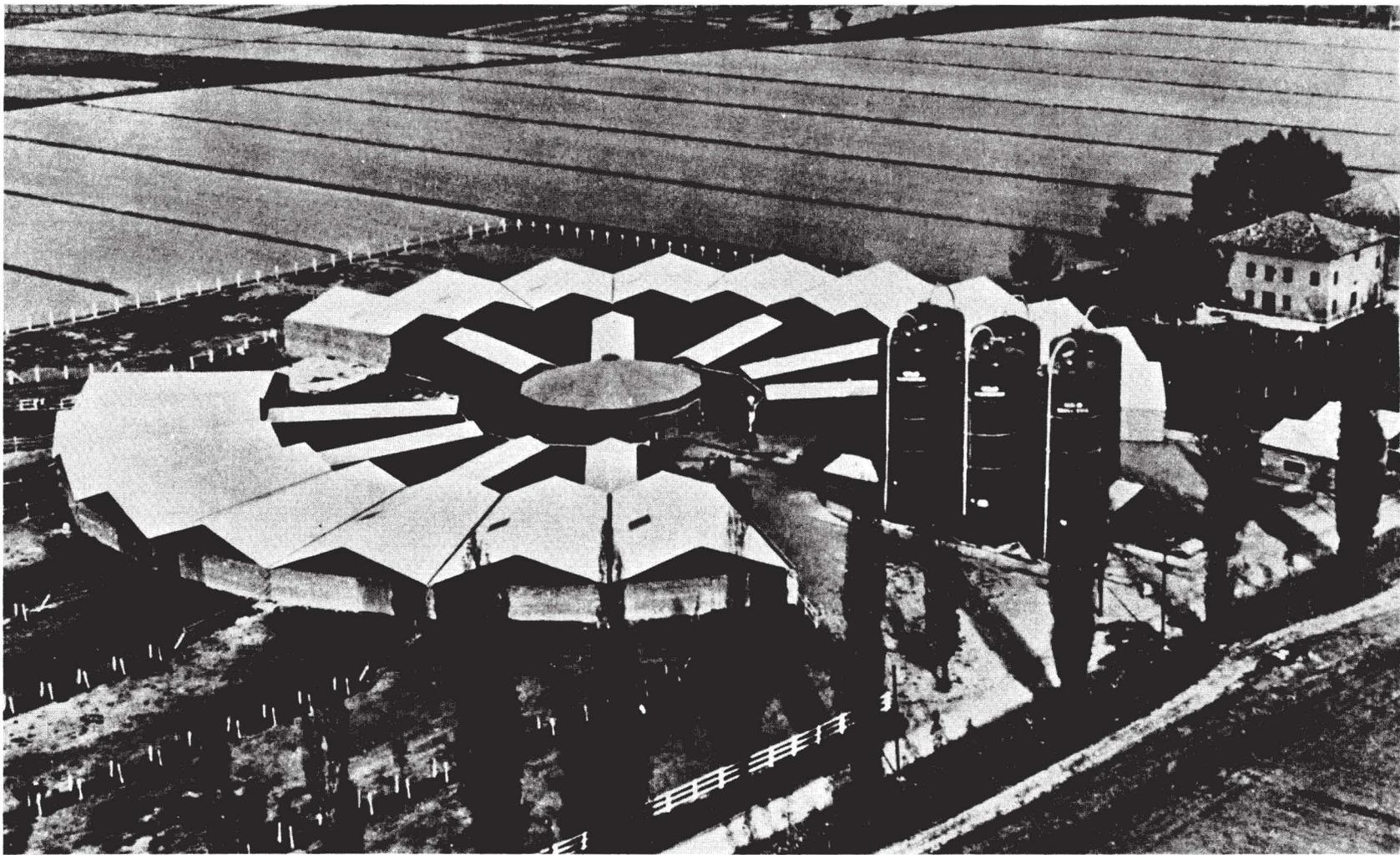
At the same time, the member states spend their own money to nobody's advantage, on farms so small as to condemn their occupants to constant want, while every other sector of the economy expands and the standards of living of the rest of the population improves. There are plenty of examples: one country provides grants to build barns for 15 cows, when no farm can possibly make a profit on fewer than 40. Others offer easy terms to buy tractors or subsidize the purchase of threshing machines, when most European tractors are utilized to barely half their capacity and threshers to only a third. Eight out of 10 European farms have fewer than 10 cows, and two-thirds have fewer than five, although on a fair-sized modern farm, one cowman can tend a herd of 40 to 60 head.

At the current rate of increase it would take our structural policy a century to make the average farm big enough to provide all European farmers with a decent livelihood. Yet these national structural measures, which only perpetuate rural distress, already cost nearly as much as the price guarantees for surplus production (\$2 billion in 1969).

Facing the Facts

Accordingly, we decided to tell the public the truth, show the member states where their duty lies. The steps we propose will call for some sacrifices, but if anyone can suggest better means of achieving the same end we shall be happy to take this advice.

Come critics choose to treat the Commission's plan as a scheme by "faceless men" to sweep away the small family farm and its traditional way of life, to replace it with a factory-style system. Our memorandum, well read, easily disposes of this misconception. We are out to enable modern, lucrative farms to be set up capable of providing farmers and farm workers with the same standard of living as the rest of the population. Farmers' wives should not have to toil in the fields, or barns, or pigsties but rather look after their families and keep the accounts. Normal working hours, weekly days off, and the usual holidays should be the rule on the land, as they are everywhere else. Farms must be large enough to make the capital



The Mansholt Plan would bring about modern farms by consolidation or cooperative ventures. This Italian dairy barn has silos, milking stalls, and everything necessary to handle a thousand cows.

investments necessary for modernization. Financing farms with five cows is tantamount to financing chronic destitution.

Emotional Arguments

Opponents of our plan, on the grounds of preserving the "good little family farm," are most often playing to the gallery, trying to preserve a set up in which the farm counts for everything and the family living in intolerable conditions for nothing.

In any case, the plan isn't supposed to do away with the family farms. We have no special preference for collective over individual ventures, although collectives do seem to be more suitable, for instance, to stock farming while individuals often do best at crop raising. The plan provides for the possibility of enlarging individual farms as well as for amalgamations. Some of the link-ups we suggest, designated for lack of a better expression "production units," would let farmers conduct part of their activities jointly, for instance pooling their cattle into a combined herd of 60 head while continuing to operate independently.

At the same time, anyone who wants to carry on alone with an uneconomical small holding can remain an "independent yeoman farmer," at the cost of living poorly. The choice will

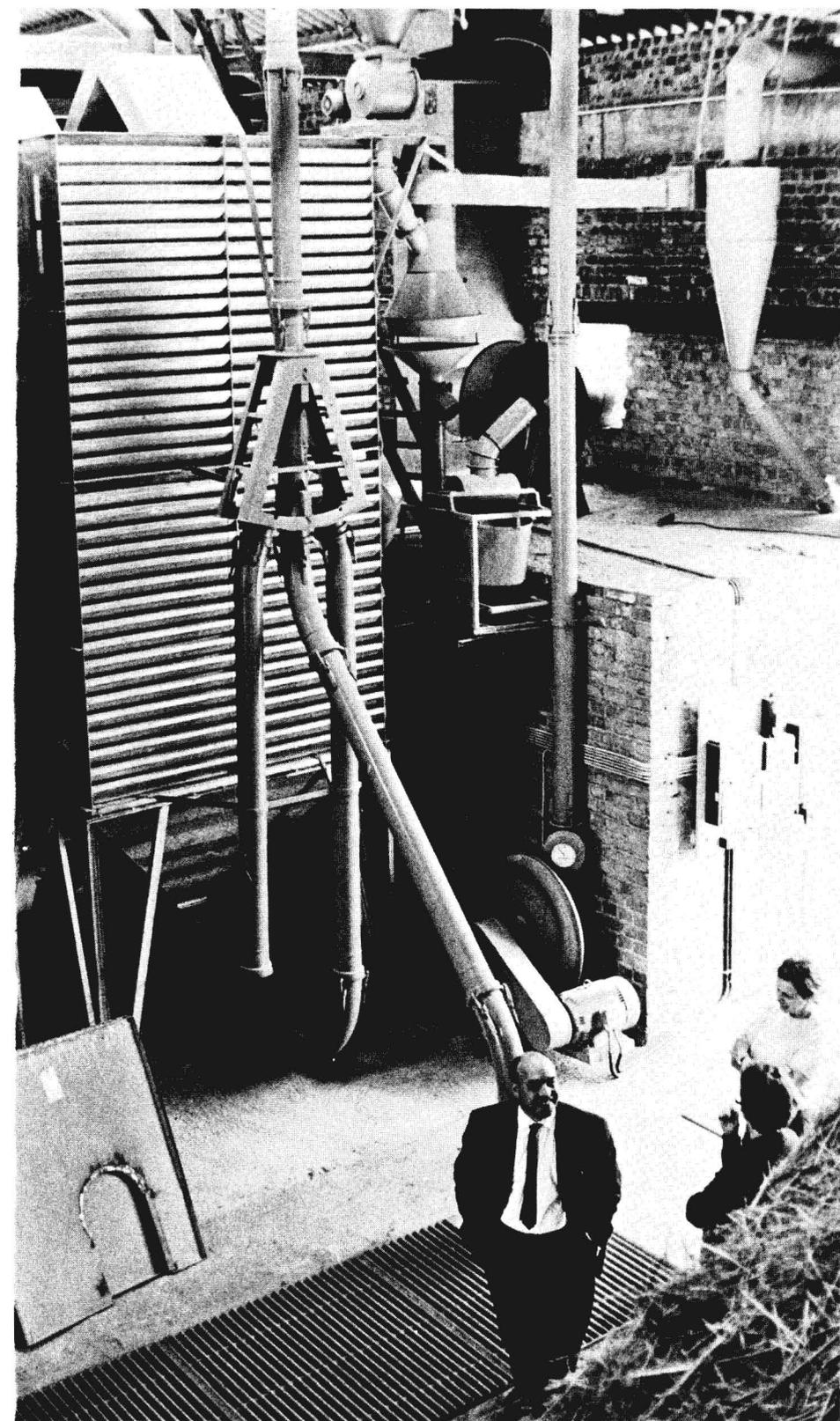
be up to the individual. For a while, some farmers will keep their small holdings out of sentiment, and because they know no better. But not many will be left by 1980, if only because of fuller information through the mass media and education. Their womenfolk will be less and less willing to put up with the life, and the younger generation will reject it.

It will become increasingly apparent that the family farm need not be a dead end, and that agriculture run on modern lines offers just as good a living as other sectors of the economy. There will still be small farmers, just as there are still small artisans and shopkeepers in the most highly industrialized countries; but they will not be the cornerstone of future policy. Modern farming must be the aim if we are to achieve the soundly based agriculture that we will need by 1980.

Inhuman?

This plan presupposes a halving of current agricultural population—five million people. "Inhuman!" scream some people without looking at the facts.

The agricultural population in the six countries has been shrinking for 20 years, by 5 million every 10 years. We are only assuming that in the next decade this rate stays the same,



By promoting investments in modern agricultural machinery and full utilization of machinery already in use, the Mansholt Plan would improve the productivity of agricultural labor, enabling farmers, such as this German grain farmer, to keep working hours more nearly like those of the industrial worker.

although the type of person involved will not. In contrast to the past *laissez-faire* attitude to the flight from the land, we offer farmers and farm workers a choice, on terms. They can stay if they cooperate in a program enabling them to run a fair-sized modern farm, live as comfortably as the rest of the population, and work at a profit. Or they can leave, in which case they will receive benefits including indemnities, occupational retraining, and arrangements to have their children trained for other jobs.

Eight out of 10 holdings are now too small to keep one efficient man busy full time. One new idea in the plan is that the land of farmers who pull out should be either sold or rented to those who stay on. In point of fact, our plan gives the farmers a freedom of choice they have never had before. We estimate that in the next 10 years the majority of farmers over 65 years of age will take the opportunity offered to retire, as will perhaps half of those between 55 and 65. For these age groups, there would be pensions and a structural improvement bonus for those making the property they vacate available for use under the program. One way or another, this should mean something like three million departures from the land.

Of those younger than 55, we expect 200,000 a year to leave to take up other work, with the aid of the European Social Fund and the compensation they receive for their land, in other words, another two million departures in 10 years. Thus, altogether, five million farmers will have left the land for a considerable improvement in their standard of living.

The Chicken or the Egg?

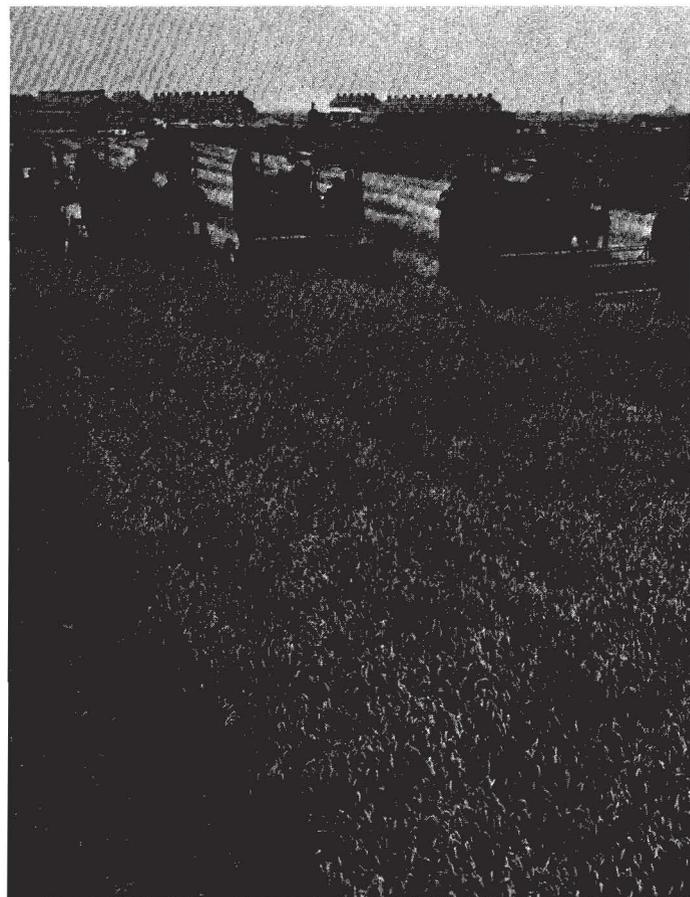
Our critics maintain that new jobs must be created before, not after, the exodus from the land is set in motion. New jobs will be needed whether the plan is adopted or not, because the flight from the land is happening and has been happening, haphazardly. In the past, most farmers had no choice but to keep working an uneconomical holding or to migrate far away from their homes.

We propose regional action, with the rate of farm depletion adapted to conditions in the different areas. For the Community as a whole, re-employment is no problem. Normal economic growth will ensure the absorption of those leaving the land in the future years as in the past. But this is not satisfactory. The plan involves no re-employment problems, in highly industrialized areas, such as Germany, but it would not work in a region such as Brittany. The process of bringing agriculture up to date will require coordination of regional industrial policy.

Regarding the creation of employment, more than half Europe's farmers are over 57, and of the estimated total departures in the next ten years, a substantial proportion (three million) will be of farmers over 55. Most of these men will not be seeking other work, particularly as the plan offers them security for their old age. For younger ex-farmers the plan specifies that at least 80,000 new jobs should be created each year in the less industrialized parts of the Community.

An End to Surpluses

Some critics maintain that reorganizing agriculture on modern lines will aggravate the problem of farm surplus instead of solving it. The various parts of our plan form a whole, based



Twelve million acres of farm land would be taken out of production by 1980 to help curtail the build-up of farm surpluses.

on highly detailed facts and figures supplied by the forecasting experts in the Organization for Economic Cooperation and Development (OECD). In view of consumption and foreign trade forecasts for 1980, we estimated 1980 requirements for all products and production levels, allowing for productivity gains resulting from the re-scaling of farms and the smaller number of producers. Since estimated production in 1980 was higher than estimated consumption, we concluded that about 12.5 million acres would have to be taken out of cultivation. These figures may have to be revised as the plan goes forward. The plan also includes a new approach to pricing, which has been largely to blame for farm surpluses. A principal aim is to see that prices of surplus products go no higher, and that in the future due regard is given to the economics of prices and outlets. One complaint leveled at us is that farm prices cannot be prevented from rising in expanding economies where the prices of other goods and services are constantly rising. Prices of the farm products that are in demand will be allowed to rise too, according to the plan.

Prices: Psychology vs. Economics

Prices are a psychologically charged question to be treated with caution. Here is an example of the way in which the different aspects of the plan dovetail: action on prices will be practicable only when modern, viable farms have replaced the four million small ones now entirely dependent on the price of milk

for a living. The new farms will be better able to keep informed about market trends and adjust to them more flexibly, which in itself will help to make prices a less crucial issue. Again, the producers themselves may be called upon to part-finance the support and guarantee systems through farmers' unions. This arrangement would probably make their choice of investments and their pricing demands more rational. Finally, it must be remembered that the plan would be activated in stages to ease the process of transition.

Setting Our Sights Too High?

It has been objected that the reforms cannot possibly be completed in 10 years. Certainly, it will require tremendous efforts, but judging from the favorable reactions and support in many agricultural quarters in different countries, I am convinced that what we propose is feasible. Though the choice of 1980 as target date may on some counts seem rash, it is essential to have a goal in mind before starting the reform. Anyone who thinks it will cost too much should look at the facts. The current policy condemns three-quarters of Europe's farmers to vegetate on unprofitable holdings while producing utterly unmarketable surpluses. It costs as much each year as the Americans spend on reaching the moon, and if the money we are wasting on it keeps increasing at the current rate, it would soon be enough to put a man on Mars.

Under our plan, costs would be halved by 1980, after reaching a peak in 1973-74. We are now spending \$4 billion a year on structural improvements and price guarantees. The aim is to cut this by 1980 to \$1.8 billion (\$670 million for price support, the rest for structural outlay). The Community and member states would each provide half.

No Machiavellian Plot

Our plan is in no way a cover for a Machiavellian plot to increase the Commission's powers at the member states' expense. We only want each country to do its best to bring its own agricultural industry into line with our plan. Only the general principles would be settled at Community level; coordination would be through the existing machinery. (Incidentally, we should like to see the farmers' unions in the six countries more closely involved in carrying out the plan.) Pricing and market policy alone require centralized action. For the structural program, general goals and the operating rules would be jointly established while the actual operations were carried out on a national basis. We are only proposing that farmers in our six countries do what the British and the Americans did fifty years ago.

In France and Italy particularly, farmers are beginning to realize that our program offers them a fair deal and their only chance of moving into the future. We are still examining the proposed arrangements in fuller detail, calculating the further implications of various hypotheses, defining certain criteria more closely—especially the criteria for the size of the modern farms. The means of reform are open to discussion, but our account of the present state of affairs, our insistence that reform is vital, and our objective of modernizing the structure of agriculture, can scarcely be contested. Those with whom the decisions rest—the governments of the six countries—can no longer shirk their responsibility. Time is short.

"European" Landmarks

THUMBNAIL GUIDE TO MOVEMENT TOWARD UNITY IN EUROPE OF THE SIX

JOHN LAMBERT *John Lambert is editor in chief of Agenor, a critical review of Community affairs published monthly in Brussels.*

THE MOVEMENT TOWARDS EUROPEAN UNITY, during the quarter of a century since the end of the 1939-45 war, has left few physical traces on the face of today's Europe.

The time has not yet come when there will be ruins—or cafés—that were once customs houses. Because the movement has taken place against the background of the restoration of Europe's multiple nation states, there have always been official and even historic buildings available for the key meetings. Unlike the wars of 1914-18 and 1939-45, whose traces are still to be seen in the graveyards of Flanders and Western France or the renovated centers of German cities, the unification movement has been essentially one of ideas, its traces and achievements more in people's minds or in the fine print of international commitments than in bricks and mortar.

The assiduous pilgrim could perhaps return to Ventotenne, where Altiero Spinelli (now a member of the European Commission) and his colleagues of the Italian anti-Fascist Resistance first thrashed out their federalist theories. Or he could seek inspiration in the Paris restaurants where Jean Monnet and his brain trust of brilliant young Frenchmen—Pierre Uri, Etienne Hirsch, Robert Marjolin and others—worked out the details of his successive contributions to the machinery of unification.

There is no trace in Bad Godesburg of the heads of state meeting of the Six in 1961 when hopes were high for a move towards political union, or of later meetings in Rome or Baden-Baden or The Hague. In the watering places of the Six countries—Spa, Baden-Baden, Nice, and many more—no plaques commemorate the off-the-record meetings where for ten years the finance ministers of the Six have met quarterly to discuss their joint affairs and lay the basis for effective cooperation in a knowledge of each other's monetary problems.

The Berlaimont Building, the Commission's new headquarters in Brussels.

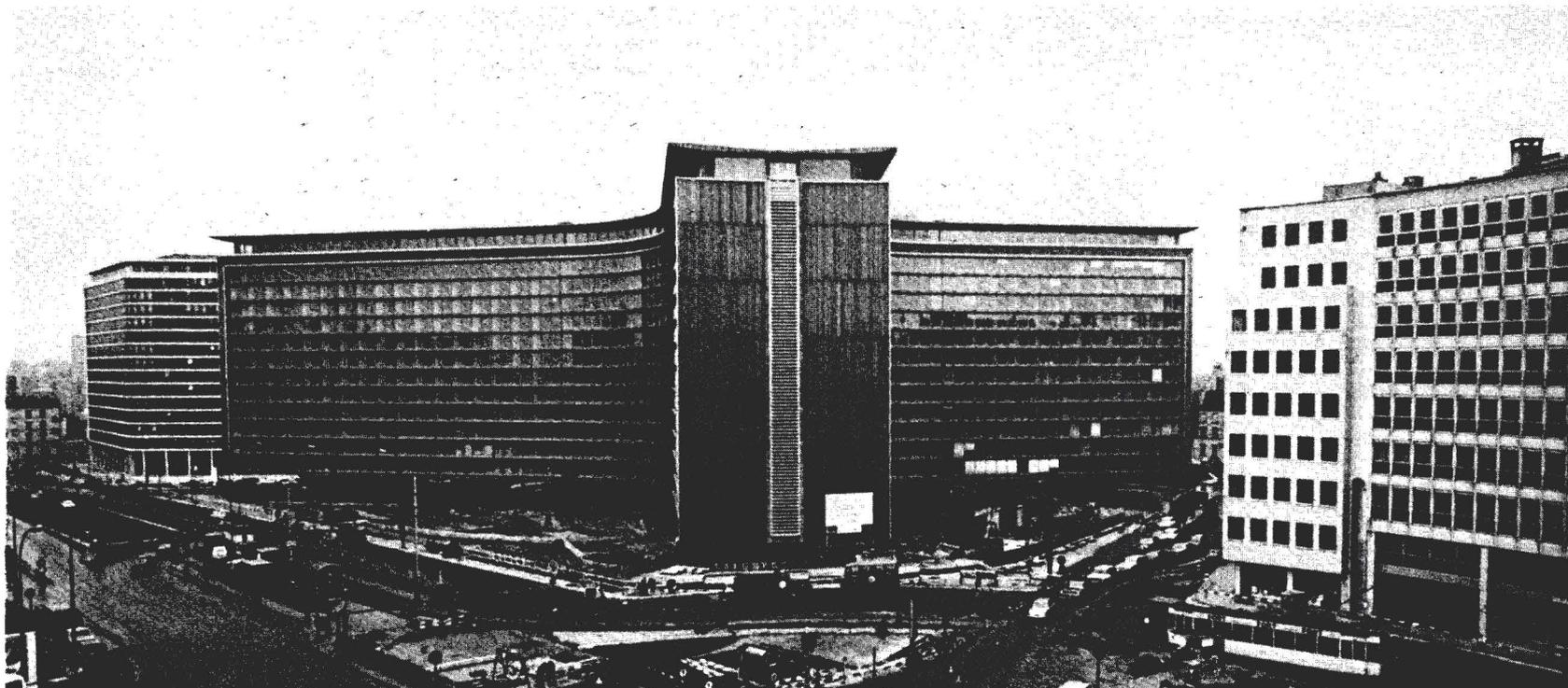
Mostly, the events of the unification movement added one more layer to the history of places and buildings that had already seen events that shaped the story of Europe. This was the case in Paris or The Hague or Rome. Only in Strasbourg have new buildings (not designed for permanence) arisen to house some of the institutions. The Community of the Six, unable to agree on a permanent seat, still lives in Brussels in rented premises, with no pretense to architectural grandeur or originality. Perhaps the best symbol of the European Community is the solidly-built skyscraper provided by the Luxembourg Government, the Kirchberg Center, standing alone and isolated on a wind-swept plateau. Following are some other sites of "European" events.

BELGIUM

Bruges

The old-style Flemish city, known to most tourists for its canals, museums, and bell tower, is the home of the College of Europe. Founded in 1949, following The Hague conference, the College gives a year's graduate education in European affairs to sixty students a year from universities all over Europe. The Rector, Professor Henri Brugmans, is one of the leading thinkers and activists of the European federalist movement. Many of the former students of the College of Europe have gone to take posts in the European organizations. The students of the earliest years, some of whom found they had fought on opposite sides in the war, are already beginning to accede to places of influence.

The teaching section of the College, with one of the most complete libraries on European unification, is at 11 Dyver, and the "Home" where the students lodge is in the former Grand Hotel building at 41 Sint Jacobstraat.





Eurocrats gathered on June 23, 1970, to protest malfunctioning air conditioning in the Berlaimont Building.

Brussels

Capital of Belgium, Brussels is also the *de facto* capital of the European Community, a title it shares with Luxembourg. The choice of Brussels as provisional headquarters for the Common Market in 1958 (also the year of the World Exposition) began a process of internationalization, which has been accelerated as the American business community in Europe also made it its major Common Market base. In the last decade, Brussels has begun to acquire the feel of a metropolitan city. Nevertheless, the five thousand European officials and their families are a tiny proportion of the total population, and their presence is not immediately felt. The observant tourist will notice cars with the special "EUR" license tag, red on a blue ground, which the city authorities have allotted to the European civil servants.

The Chateau de Val Duchesse, a small chateau in its own park, on the southern outskirts of the city, was the scene of the hard, detailed bargaining, in 1956-57, which led to the signature of the Rome Treaties establishing the Common Market and the European Atomic Energy Community (Euratom). It was here that officials sat late nights working out textual details that hid major economic problems. Today Val Duchesse is run by the Belgian foreign ministry and is still used by the European Commission for receptions and for working dinners.

The Joyeuse Entrée, the eight-story building at 23-27 avenue de la Joyeuse Entrée, was the official seat of the Common Market Commission from 1958 to 1968. President Walter Hallstein had his offices on the top floor. It was here that he received new ambassadors to the European Community from non-member countries, who called to present their credentials. A red carpet was laid at the door of No. 27, otherwise closed. Hallstein and his aides wore full diplomatic regalia, including striped trousers, and champagne was drunk. French President Charles de Gaulle objected strongly to this practice, and it was abandoned as a concession to him following the French boycott of Community institutions in 1965-66. Ambassadors still present their credentials to the Commission President (and now also to the current Chairman of the Council of Ministers) but without the full ceremonial.

Berlaimont, the star-shaped building dominating the end of the rue de la Loi has been the headquarters of the Commission since 1968. The building is rented to the Commission by the Belgian Government, which had it built at great expense: the Community institutions as such cannot own buildings, as there has never been an official decision making Brussels the seat of the Communities. The building is architecturally interesting—the thirteen stories are all hung from giant steel girders laid across a concrete core, and all meeting rooms are deep underground—but it already has a history of misfortune. In 1970 officials staged a day of protest at the inadequate functioning of the air-conditioning, covered the windows with slogans and picnicked outside.

The Charlemagne Building, the next one down the rue de la Loi from the Berlaimont Building, houses the official delegations to the negotiations between the Six member countries and Britain, Denmark, Ireland, and Norway about enlargement of the European Community. The building has a heliport on the roof, and its own station on the Brussels-Luxembourg railroad.



The Palais des Congrès, Brussels, where the Council of Ministers meets. Farmers' unions on May 27, 1968, picketed against proposed price reductions while the Council of Ministers met in the room above the arch.

The Palais des Congrès at 1-2 rue Ravenstein houses the Secretariat of the Council of Ministers of the European Community. The Council of Ministers meets there in the Salle Europe, on the top floor above the arch bridging the road. It is there that the frequent "marathon" sessions were held to take major decisions on the development of the Community, with ministers working for days on end and closing with an all-night sitting. It was there, for instance, that the bases for the Community's common farm policy were laid, in an agreement reached around dawn on January 14th, 1962, after the ministers had "stopped the clock" on December 31. It was here, too, on June 30, 1965, that the dramatic sessions took place which led to a disagreement on farm policy financing and the subsequent French boycott.

Quatre Bras, the headquarters of the Belgian Foreign Ministry, at 1 rue des Quatre Bras, was the scene of the negotiations on British entry into the Community in 1961-63. Ministers talked on the eighth floor while hundreds of journalists waited in the entry hall.

Hotels and Restaurants: The Hotel Métropole was the working base for the British delegation during the 1961-63 negotiations. Edward M. Heath, then chief British negotiator, and Christopher Soames, then minister of agriculture, regularly met journalists in the downstairs bar to discuss progress, and the dramatic press conference at which Mr. Heath announced the breakdown of the talks was held in the ballroom.

Comme Chez Soi was the restaurant preferred by the British Foreign Minister Edward Heath during the 1961-63 negotiations. In the smaller restaurants around the Berlaimont building—*Pinocchio* (rue Stevin), *Archimède*, and *Chez Nardi* (rue Archimède) it is possible to capture the international atmosphere of the Common Market as officials and experts from all member countries meet to discuss their problems over lunch.

THE NETHERLANDS

The Hague

The medieval *Ridderzaal* (Knights' Hall) situated in the space within the Binnenhof complex which houses governmental offices, was the scene of the historic Hague Conference of 1948 and the meeting of the heads of state or government last December. Leading European figures, including Winston Churchill, Guy Mollet, and others, and all the key figures of the movement for unity, including Denis de Rougemont, Henri Brugmans, Altiero Spinelli, were present at the Conference, held by the European Movement, which led to the creation of the Council of Europe and the founding of the College of Europe.

FRANCE

Paris

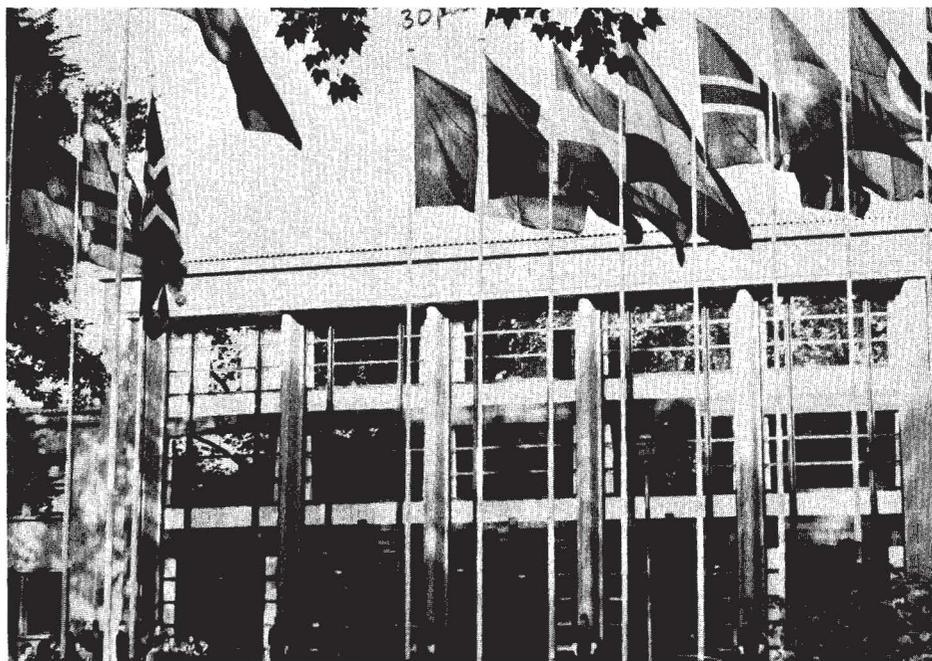
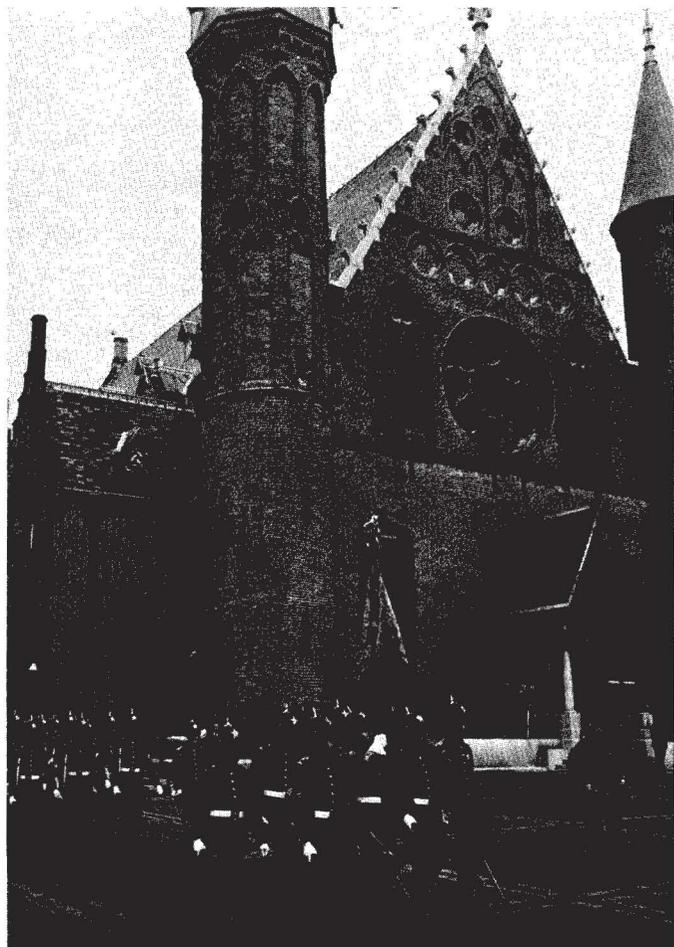
Paris has been the scene of many key events in the course of European integration. The *Salon de l'Horloge* at the Quai d'Orsay, headquarters of the French foreign office, was the scene of the declaration made on May 9th, 1950, by Robert Schuman, then Foreign Minister, calling on Germany and other Western European countries to pool coal and steel resources with France, as a guarantee against future war, and to lay the foundations for unity among their peoples. The Paris Treaty setting up the European Coal and Steel Community was signed there in 1952.

No. 18 Avenue Maréchal Foch is the headquarters of the Action Committee for the United States of Europe, of which Jean Monnet is the president, and which was influential in the early Sixties in preparing further steps forward in European integration by bringing together leaders of democratic parties and labor unions from the Six countries. The same room saw the opening session of the 1961-63 negotiations on the British bid to join the Common Market.

The Elysée Palace, residence of the French president, was the scene of Charles de Gaulle's regular press conference, many of which were devoted in part to his announcements on the future of Europe. It was there in January 1963 that he made it clear that he was vetoing the first round of talks with Britain, thus torpedoing President John F. Kennedy's great design for partnership of the United States with a uniting Europe and reducing the forthcoming "Kennedy Round" talks to mere bargaining about tariffs. It was in the same room that in September 1965 he launched his attack on the European Community for gradually undermining national sovereignty—an attack that was to be partially repulsed when he had to end his boycott of Community institutions in January 1966.

The Château de la Muette is the home of one of the least glamorous but most effective of the European organizations: the Organization for Economic Cooperation and Development (OECD). Founded in 1947 as the Organization for European Economic Cooperation to administer the cooperation between European countries which was a prior condition of the grant of Marshall aid, it was transformed in the Sixties into an organization for economic development of the third world as well, and was expanded to include the United Kingdom, Canada, and Japan. The Chateau stands on the edge of the Bois de Boulogne.

The Knights Hall, The Hague, scene of the summit meeting last December of the Community members' heads of state or government.



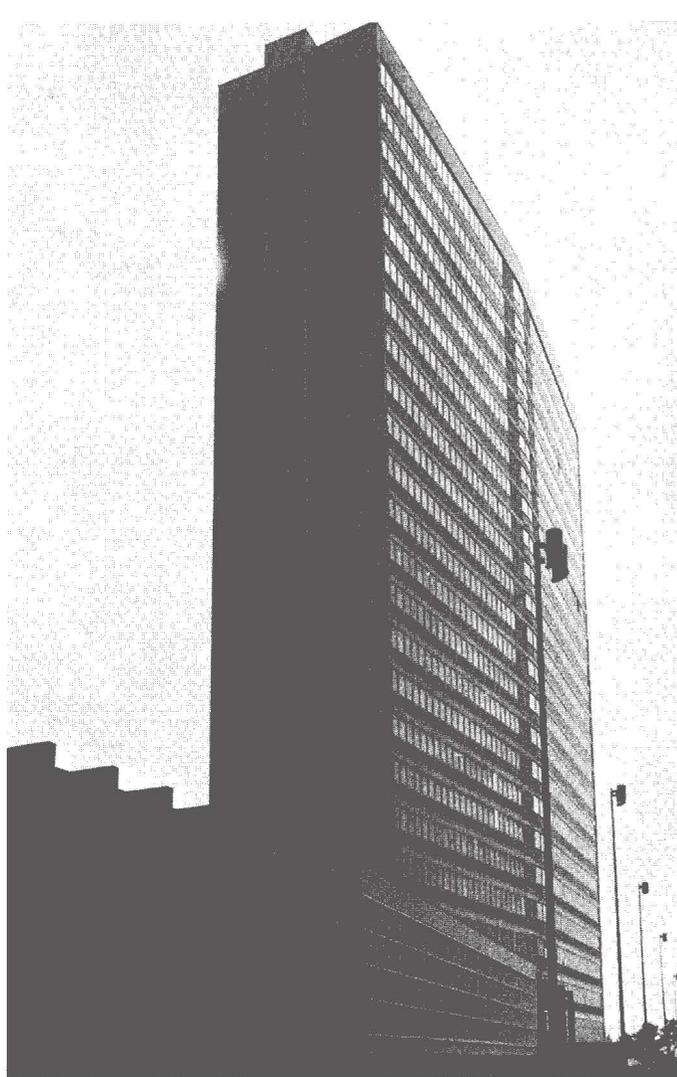
Seat of the Council of Europe, Strasbourg, where the European Parliament also meets, seven times a year.

Strasbourg

After The Hague, Strasbourg was the cradle of the post-war movement towards unity in Europe. Its history and culture suited it to being the capital of a united Europe built around Franco-German reconciliation. French until 1871, then German until 1918, it is still a bilingual city with newspapers in both languages, and the local dialect is a German one. Thus it was a natural choice for the first meeting of the Consultative Assembly of the Council of Europe in 1949. But in 1953, and again in 1958, there was local reluctance, later regretted, to push Strasbourg's candidature as capital of the European Community. Today it continues to house the Council of Europe, together with the European Court of Human Rights; and the European Parliament (of the Six) meets there regularly.

The Council of Europe building at the end of the Robertsau Allée, has been the scene of innumerable sessions of European parliamentarians since it was built in the early 1950's. In the early years the hemicycle witnessed major debates, with leading political figures of the day, but interest declined as it became clear that Britain and Scandinavian countries were not prepared to get involved in political commitments. In September, January, or April, it is possible to attend a session of the Consultative Assembly, where parliamentarians from fifteen countries are present: there are no longer Greek parliamentarians present, since the 1967 coup d'état and the withdrawal of Greece from the Council of Europe in December 1969; but Switzerland, reluctant to be involved in the early post-war years, has now become a full and active member.

The same building houses the *Council of Europe Secretariat*, which works to bring the Europeans gradually together in a wide range of cultural fields: it has gotten agreement on over seventy conventions on topics ranging from exchange of blood plasma to outdoor education.



The Kirchberg Center, Luxembourg, which houses the European Parliament's Secretariat.

The European Parliament meets in the same hall as the Consultative Assembly seven times a year, to debate the affairs of the European Communities. Just beyond the Council is a small, white stone building, which houses the *European Commission and Court of Human Rights* which have pioneered the constitutional defense of human rights as guaranteed by international conventions. Citizens of many European countries have appealed against treatment within their countries. The cases brought against Greece by the Scandinavian countries for violation of the European Convention of Human Rights led to the condemnation of the Greek dictatorship and its withdrawal from the Council.

On the Place Kléber in the middle of town is the *Maison Rouge*, scene of many historic dinners during the heroic days of the Council of Europe. Five minutes' walk away is *Julia's Bar*, where, during sessions of the Consultative Assembly or of the Parliament, it is possible to meet leading parliamentarians from the European countries.

SWITZERLAND

Zurich

The *University of Zurich* was the scene of one of the earliest declarations after the war about the need for European unity. On September 19, 1946, Sir Winston Churchill, who had only recently ceased to be Prime Minister of Britain, made a speech in which he insisted on the need for Franco-German reconciliation, in the framework of some form of confederation, and went on to say, "We must build a kind of United States of Europe."

ITALY

Rome

Rome, like Paris, has seen many events in the integration story. The most historic was the signature, on March 7, 1957, in the *Palazzo Farnese*, of the two Rome Treaties establishing the

Common Market and Euratom. In 1967 a commemorative meeting of the heads of state and governments of the Six was held there.

Messina

Messina was the site of the meeting held in June 1955 at which ministers from the Six countries agreed on the basic ideas which were to be embodied in the treaties of Rome establishing the Common Market and the Atomic Energy Community.

LUXEMBOURG

Luxembourg

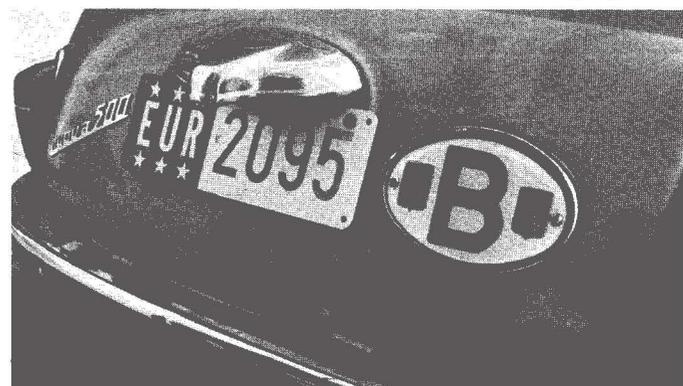
Luxembourg was the seat of the Coal and Steel Community, founded in 1952. The Court of Justice of the European Communities and the Secretariat of the European Parliament are still there. Jean Monnet, the first ECSC President, and his colleagues, had their offices in the dark stone building on the right at the station end of the Pont Adolphe.

When the Community arrived in 1952, Luxembourg, though capital of the Grand Duchy, was a small country town of 70,000 inhabitants; and rail and air connections with the rest of Europe were few and far between. The officials, hand-picked by Jean Monnet as the hard core of the High Authority Secretariat, came to form a close-knit community, only broken up when many of them moved to Brussels in 1968 to work in the Common Market Commission. Their social lives centered around the *Hôtel Brasseur*, recently demolished, the *Hôtel Cravat*, the *Café du Commerce* on the Place d'Armes, and the city's only nightclub, *Charly's*, which still exists.

Today, the principal Community building is the *Kirchberg Center*, a tall office block with two big conference rooms, on a plateau just outside the city. Reached by a fine, single-span steel bridge (at the town end is a monument to the founding of the Coal and Steel Community), it houses the European Parliament's Secretariat and some services of the single European Commission which, in 1967, took over from the High Authority of the Coal and Steel Community. The Court of Justice is at present situated at 12, rue de la Côte d'Eich in the city, but a new seat for it is being built near the Kirchberg building.

The Council of Ministers of the Communities meets in Luxembourg three months each year (April, June, and October) and it was at the Kirchberg building that the opening session of the negotiations on enlargement of the Community was held on June 30, 1970.

The "EUR" license tag marks the cars of Community officials.



Written Questions

EUROPEAN PARLIAMENT'S WATCHFUL EYE ON COMMUNITY POLICY-MAKERS

JEAN JOSEPH SCHWED *Mr. Schwed is head of the division handling liaison with the European Parliament for the Commission's Secretariat.*

THE RIGHT TO ASK QUESTIONS of policy makers, a right common to all democratic parliaments, has assumed enormous significance for the European Parliament.

In the parliamentary year just ended, members of the European Parliament tabled 508 written questions, the largest number in the history of the Communities, though one Dutch Socialist member, Hendrikus Vredeling, was responsible for more than half of them.

The written question got off to a slow start, with only 41 written questions asked in the 1958/59 parliamentary year. Before long, this figure began climbing, making this procedure one of the Parliament's most important means of exercising control over Community decision-makers until its newly acquired budgetary powers become fully operative in 1974.

Limited Legislative Powers

The Treaties of Rome and Paris gave the European Parliament relatively limited legislative powers which the Parliament has quite rightly used fully. It can only give its opinion on important proposals submitted by the Commission to the Council. In some cases consultation of the Parliament is compulsory; in others, it is at the Council's discretion.

The Parliament does, however, have political control over the Commission's activities, its ultimate weapon being a motion of censure, forcing the Commission to resign. Through the written question procedure, the Parliament can constantly exercise this political control by asking for explanations.

Plenary sessions of the European Parliament average one week a month but are not held every month; the members have duties in their national parliaments from which they are nominated. Meetings of parliamentary committees are few and far between, by U.S. standards, and full-scale debate on the Commission's General Report is only a once-a-year affair. It was probably as a result of the limited number of parliamentary meetings that several members, with Mr. Vredeling in the lead, decided to develop the written question procedure to quiz the Commission on major economic, political, and institutional issues and to monitor the Commission's activities in the growing number of areas in which it now administers common policies and makes executive decisions.

Wide Range of Topics

The range of topics raised in written questions has widened enormously in the last twelve years. While they have included one question on the outlook for songbirds and one on the use of the French expression *tel quel* in a Dutch text, the fact remains that every important issue discussed within the Communities has come up in written questions.

Most questions are addressed to the Commission, but the number of questions to the Council of Ministers has climbed steeply in recent times. Curiously, members have made little use of their right to pose questions orally during plenary sessions to force debate.

It is hard to judge how effective the parliamentary questions have been. However, the questions have alerted the public to a number of issues. Omissions, possible infringements, and actual violations of the Treaties have been publicized. The Commission keeps one eye on the Parliament both when dealing with the Council and when adopting its own decisions in

those spheres in which it is competent. The mere possibility of having to answer embarrassing questions is an important sanction in itself.

On the other hand, written questions have also given the Commission encouragement in its efforts to detect and take action against infringements of the Treaties and Community law. Every member state has been guilty on these counts at one time or another.

The Community's Conscience

Parliamentary questions influence others besides the Commission. Because the procedure provides a weapon for constant probing, it has strengthened the Parliament's position, making it the conscience of the Community, a defender of the letter and spirit of the Treaties.

On countless occasions, members (here again, Mr. Vredeling deserves special mention) have questioned the Commission about the legal basis or justification for Council measures which seemed to encroach on the Commission's rights or to betray the spirit of the Treaties. The political significance of asking a question on this or that topic is perhaps even more important than the replies that can be given. They influence not only the Commission but also the member states, the Council, parliamentary opinion, and public opinion.

Complaints of Slow Answers

Despite the growing number of written questions and the growing importance of the procedure, the Parliament is not yet satisfied. German Socialist Herbert Kriedemann, Mr. Vredeling, and some other members complain that the Commission takes too long to answer and does not stick to the one-month deadline laid down in the Parliament's rules of procedure. They also feel that the Commission's replies are not complete enough and often sidestep the real issues.

The Commission admits that arrangements for dealing with questions leave a lot to be desired and says it regrets these inadequacies in this valuable form of parliamentary control. The Commission, responsible to the Parliament, has always considered a strong Parliament to be in its own interest. There can be no genuinely democratic Community without a strong Parliament, which would also enhance the political status of the Commission itself. This is why the Commission has lent its support over the years to the Parliament's efforts to strengthen its position. This is also why it gave full support to the proposals to grant Parliament control over Community spending. Thus, it would like to see the written procedure for parliamentary questions operating as smoothly as possible.

The Parliament is correct in saying that the Commission often answers questions more slowly than the one-month deadline set by Article 45 of the Parliament's rules of procedure. However, anyone familiar with the complex operations of an international administration can readily see that a month is too little time. In the case of the Commission, since questions usually deal with topical issues, replies must be prepared by the very people who are already snowed under with work.

Over the years, the Commission has made more than a few changes in procedure in an unsuccessful effort to speed things up. The fact is that some questions deal with extremely complex problems calling for a good deal of research. For infor-

mation the Commission often has to approach member countries' national administrations.

Some Differences from National Procedures

In addition, whereas in a national parliament written questions are usually specific and addressed to a single minister whose staff prepares a reply, in the European Parliament, a single question is addressed to the Commission as a whole. Frequently, it covers many points and touches on matters handled by a number of Commission members, and not just one. As a result, the reply must be drafted in collaboration with the departments and Commission members involved, which slows things down. Then again, since collegiality is the rule within the Commission, every reply to a written question must be approved by the Commission as a body, involving further delays. A national government by contrast does not have to discuss the reply to be given by a single minister. Finally, if a question involves the member states, the Commission, while retaining sole responsibility for the reply given, informs the Council with a view to getting technical opinions and observations to support the reply.

Each stage of this cumbersome procedure is further lengthened by the Community's linguistic arrangements which require replies to be prepared in the Community's four official languages. The final dispatching of a reply to the Secretariat of the *Hendrikus Vredeling, Dutch Socialist member of the European Parliament, was responsible for more than half of the 508 written questions submitted last year.*



European Parliament in Luxembourg, which passes it on to the member concerned, marks the end of this elaborate and complex process.

Opinion Differs on Completeness of Replies

At any rate, the Commission hopes that the care taken in preparing replies to parliamentary questions ensures a high standard of quality. It believes that on the whole the replies are complete and fully documented. Some members of Parliament, however, disagree.

There have been complaints that some questions are never answered and that replies, when given, are incomplete. The fact is, that no written question has gone unanswered since 1958 (when the Common Market and the European Atomic Energy Community (Euratom) were established) or, for that matter, since 1952 (when the European Coal and Steel Community was formed). One question, submitted in 1967, raised a particularly tricky issue and was eventually withdrawn by the member concerned.*

While some replies are on the short side (the Commission does not believe in being long-winded), it must be admitted that less than full replies are traditional in national parliaments. But the Parliament's grievance goes deeper. The Commission is a political body, with all that implies about its freedom of action, freedom of thought, and responsibility to be discreet and prudent. Every member of the European Parliament knows that in his own parliament a minister's reply is often incomplete.

Persistent Questioners

The Commission knows that the members of the Parliament are not easily put off and will bounce back again and again if they think a reply is too vague or too perfunctory.

It might be a good idea in the future to think in terms of a procedure to allow members who are dissatisfied with a Commission reply to raise the issue for discussion within one of the Parliament's Committees by contacting the competent Commission member or, alternatively, to raise it on the floor of the Parliament. In any event, members have ample opportunities to force the Commission to give its views, particularly by oral questions during meetings of the Parliament; but so far, no member has made use of this procedure.

A number of possibilities are being examined at the moment. The Parliament's Legal Affairs Committee is looking into ways of reforming the written question procedure. To some extent, this involves an admission of error in the past. It may well be that the members have been wanting in that they failed to limit the scope of the written question. It could have followed the pattern of national parliamentary practice which recognizes that not all problems can be dealt with in this way.

The Commission hopes that these discussions will produce new arrangements to ensure that this form of parliamentary control remains effective and develops further.

There is a desire for dialogue between the Parliament and the Commission as can be seen by the fact that over 500 questions were tabled last year. Needed now are improved procedures to make the dialogue satisfying for both parties.

* Interpretation of Article 237 of the Common Market Treaty concerning application to join the Community.

Labor Unions in Belgium and Luxembourg

WALTER KENDALL

BELGIUM'S TIGHTLY ORGANIZED labor union movement, with more than 1.75 million members, is one of the most powerful social forces in Belgian society today.

Situated at the crossroads of three different cultures, Belgian labor has taken some inspiration from each. Growing up in a commercial-industrial, *laissez-faire* society, the Belgian unions took from Britain a tradition of self-help. From the model provided by German social democracy across the border, came a spirit of discipline and a doctrine of fundamental Socialist belief. From France and from memories of the French Revolution, to which the Belgian state owes much of its origins, came a certain radical élan, a view of the labor movement as, in a sense, the heir of the best traditions of 1789.

Although powerful and well organized, the Belgian unions are not consolidated within a single federation. Two major labor organizations, the Christian csc (Confédération des Syndicats Chrétiens) and the Socialist FGTB (Fédération Générale du Travail de Belgique), command between them the allegiance of some 1,600,000 members, the great majority of organized workers. The CGSLB (Centrale Générale des Syndicats Libéraux de Belgique), a conservative-orientated "liberal" union federation enrolls 121,000 members, most of them white collar workers. Another organization, the CSU (Confédération des Syndicats Unifiés de Belgique), has recruited slightly more than 46,000 supporters.

Linguistic and Ideological Divisions

The division of organized workers between Socialist and religion-oriented unions and between blue and white-collar organizations excites little comment in Continental Europe, but the Belgian situation is more complicated. Political and religious differences are supplemented and aggravated by serious and pervasive linguistic barriers.

The Channel Coast provinces of Flanders and Antwerp and the northern province of Limburg speak Flemish (Dutch); Hainaut, Namur, and Liège, the southern provinces, where heavy industry and unions have deepest roots, speak French. Brussels, the capital, stands as a bilingual no-man's land, sandwiched between the northern (Flemish-speaking) and southern (French-speaking) halves of the central province of Brabant. Three-quarters of the Christian federation members live in Dutch-speaking Flanders, while Socialist union enrollment is more equally distributed between the two regional-linguistic divisions.

The Socialist labor federation, originally the most powerful and effective of the two major organizations, has been hit by the decline of the coal and steel industries, concentrated in the Walloon provinces, a Socialist stronghold. Shifts into newer growth industries have benefitted the Christian, rather than the Socialist labor federation. Employers have sometimes preferred to build plants in Flanders, Antwerp, Limburg, and North Brabant rather than in the heavy-industry belt stretching from the Hainaut region along the French frontier, eastwards towards Liège. In postwar years the Christian labor fed-

eration CSL membership has caught up with and surpassed its rivals, the Socialist FGTB. In 1945, at the end of the Second World War, the FGTB, 553,000 strong, outnumbered the csc by over 200,000 members. In succeeding years the csc has grown far more rapidly than the FGTB and today with 870,000 members, surpasses the FGTB by more than 100,000. This is a unique achievement. In no other European country has a Christian labor organization managed to replace a secular union as the largest representative unit of organized labor.

Reservoirs of Unorganized Flemish Labor

The csc has benefitted from the presence of a large reservoir of unorganized labor in Flemish-speaking areas. Most potential FGTB reserves in Socialist Wallonia have already been tapped. Postwar union members, working in different industries, under better conditions than prevailed at the turn of the century, seem to have been less sympathetic to the FGTB than their predecessors in earlier days. Some evidence also suggests that csc organizers, due to the recent growth of their federation, are younger and livelier than their longer-established FGTB counterparts.

Of great importance also are changes in the Catholic church's attitude to social affairs. In the past the hierarchy acted as a brake on unionization. As a progressive wing has gained in authority, this brake has been released. In at least a few cases, the Church has encouraged unionization. This shift has contributed to the changed proportional relationships between the csc and FGTB. Whether the csc can continue to grow once these "founder's profits" have been absorbed is another matter.

The available evidence suggests that the Socialist FGTB predominates in large-scale industry; the Christian csc strength lies in smaller firms. Textiles, building, and engineering together contribute 49 per cent of csc membership. Engineering, public service, and general unions constitute 67 per cent of the Socialist federation's enrollment. Nevertheless, the predominant influence of three major unions gives to the FGTB a marked solidity in action. Twelve unions are affiliated with the FGTB, 14 with the csc.

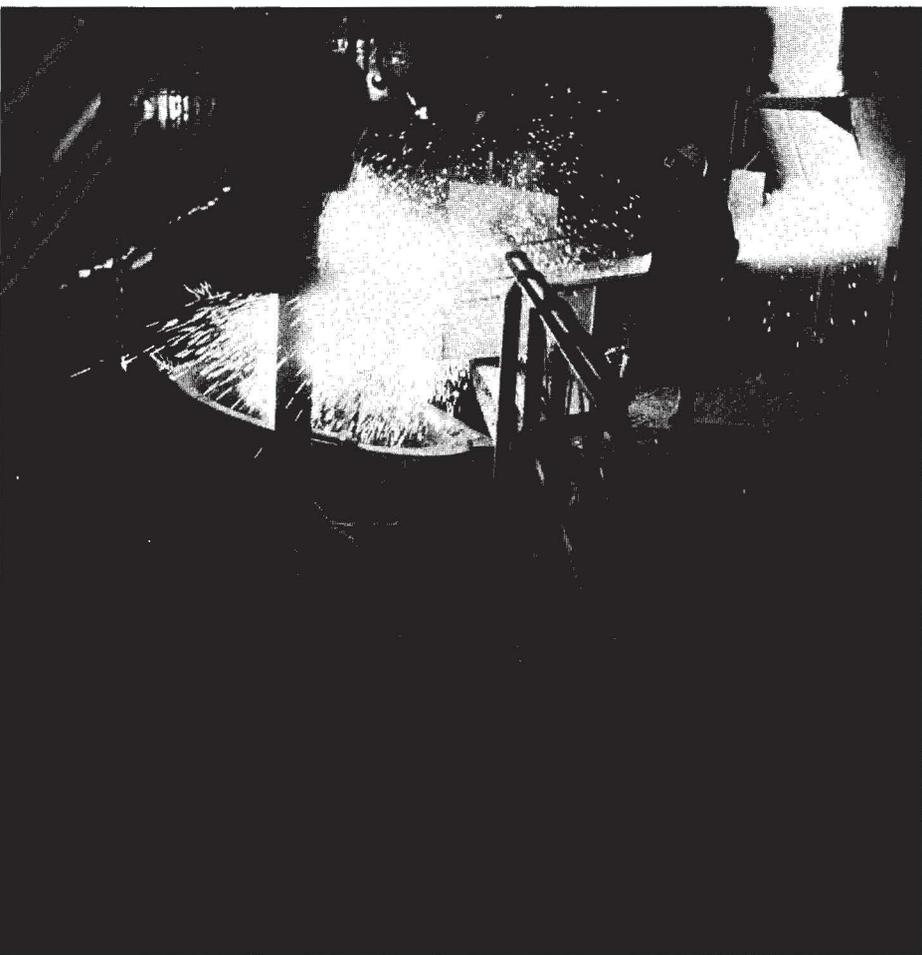
The FGTB congress meets every two years. It has an elected executive board which consists of representatives of national unions and regional union federations in a ratio of two to one. As a further device to overcome regional linguistic divisions, this procedure is supplemented by provisions which make obligatory either a two-thirds majority on all contested issues or a minimum of half of the votes in each of the two linguistic divisions.

The FGTB's affiliated unions (centrales), also organized horizontally at regional level, retain a large degree of autonomy. The individual unions rather than the FGTB federation are the dominant force. Belgium's Socialist unions follow the orthodox Continental pattern of holding a national congress every two or three years, a national committee meeting several times a year, and an executive meeting at least monthly. A full-time secretariat handles day-to-day business.

Centralized Control

The csc constitution is more centralized than the FGTB's. Congresses take place every two years. Representation is by weighted delegation. The national unions receive two con-

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Industrial unions in Luxembourg cooperate on pragmatic grounds, by industry, despite their ideological and political differences. Heavy concentration in the coal and steel industries facilitated this cooperation.

gress votes for every three members; the regional union federations one for every three. Each union, and each provincial federation, is allocated one seat on an executive which meets every two months. The Catholic hierarchy is also represented, *ex officio*, by an "adviser." Executive decisions are carried out by a 24-man bureau. Twelve of its members are from affiliated unions, seven from provincial federations; of these, four must be Flemings, three Walloons. Day-to-day business is handled by a five-man secretariat divided three to two between Flemings and Walloons. At least seven bureau members must be Walloons.

The CSC secretariat is headed by a president, elected for life, to whom, in U. S. fashion, the leadership and direction of the CSC is entrusted. The president is advised by a moral counsel or appointed by the church hierarchy. The status of the CSC is reflected in the great respect and authority attached to the strong personality of its past president, August Cool. The CSC controls the federation's central strike funds, and is solely responsible for disbursing them. While unions may strike at their own discretion, the CSC need only pay benefits if it so wishes, an arrangement that greatly adds to the CSC's authority over its affiliated unions.

The FGTB predominates in the basic industries of Wallonia: steel, engineering, and glass manufacture. It also leads in paper, printing, gas, electricity, and trolley cars. In elections of administrators of social security funds, the FGTB commands an effective majority of department store employees. The CSC, by contrast, leads in chemicals, food, confectionery, and textiles, all industries firmly rooted in Flanders. The CSC also leads among banking and insurance employees.

The general level of union organization in Belgium is high. Statistics show that 70 per cent of manual workers, and 60 per cent of public service workers and employees are organized. The biggest reserve lies among white-collar employees where organization is still as low as 30 per cent. Up to 85 per cent of labor in textiles is reported to be unionized, 60 per cent of mine workers, and 70 per cent in engineering. The port of Antwerp is a closed shop. International comparisons are difficult, but by any measure the Belgian labor movement is one of the most effectively organized in the world.

The important part played by the labor movement in the social service system has aided union organization. Health and other benefits are distributed through union insurance societies. Since labor unions are officially recognized agencies for the payment of unemployment benefits, the 1959 slump, instead of causing a fall in union membership, saw a marked increase, as workers lined up to join unions to draw benefits more easily. The CSC and FGTB gained equally.

Well Financed

Highly organized, well financed, and powerful, the Socialist FGTB and Christian CSC have successfully established a widespread and effective national bargaining structure. Some 80 *commissions paritaires*, joint negotiating boards, cover most of Belgian industry. *Délégués syndicaux*, the Belgian equivalent of shop stewards, are authorized union representatives at the work place, with whom the employers are willing to deal. In some large, well organized plants, the *délégué syndical* may, by tacit agreement, spend all his time on union business.

Union wages have become the prevailing minimum in most fields of employment. Union recognition is the rule, in marked contrast with the weaknesses and lack of bargaining power that characterizes the verbally more militant Communist organizations in France and Italy. The scope and range of collective agreements has steadily broadened. The duration of contracts has also been extended and now stands at two years in the key engineering and construction sectors and 27 months in textiles. A number of agreements include clauses limiting certain benefits to union members, which has been a further factor raising membership.

In addition to being recognized as agencies for payment of unemployment benefits, the unions have received state encouragement in other directions. Certain types of union education receive financial aid from the state under the terms of the law of July 1, 1963.

Increasingly Secularized Society

The two-pillar structure of Belgian unions reflects the religious-secular rift in Belgian society, but this gap is narrowing. In an increasingly secularized society, both the will and the ability of the church hierarchy to maintain tight control over its flock

are being eroded. Unification of the Belgian labor movement does not, however, seem imminent. Linguistic divisions have now become so large a problem in Belgian society that the unions have to devote considerable energy to combatting them.

The FGTB owes its origins to the Belgian Socialist Party, which was originally an alliance of cooperatives, Socialist societies, and labor union bodies. As an autonomous organization, the FGTB is bound to the Socialist Party by loyalty to common ideas rather than by an authoritarian party discipline on the Communist model. The CSC unions, originally subservient to the Church hierarchy and heavily dependent on management for their existence, have steadily become more independent. Now their general status as legitimate union bodies cannot seriously be challenged.

Belgium's main political parties, Liberal, Socialist and Catholic, live in a perpetual stalemate. None seems able to win an effective majority on its own account. Each must depend for a majority on the support of one or both of its rivals. The resulting tradition of compromise between the parties has done much to narrow conflicts between opposing union leaders.

Nevertheless, when confronted in the past with united opposition from their opponents, the Socialist Party and the Socialist Labor Federation have not hesitated to call general strikes to achieve political objectives. The general strikes of 1893, 1902, and 1913 proved essential to the conquest of universal suffrage. A general strike in 1950 secured the abdication of a king widely discredited by his war-time attitudes. A five-week general stoppage in the winter of 1960-61 greeted governmental economies after the Congo was granted independence. There is no reason to imagine that the general strike weapon will not be brought out of the armory again on some future occasion.

Belgium is the only European country in which a Christian labor organization has replaced a secular union as the largest representative unit of organized labor. To do so, the Confédération des Syndicats Chrétiens drew on a large reservoir of unorganized, Flemish workers. The photo shows a loom assembling shop at the Picanol Company in Flanders. PHOTO: Courtesy Belgian Consulate General, New York.

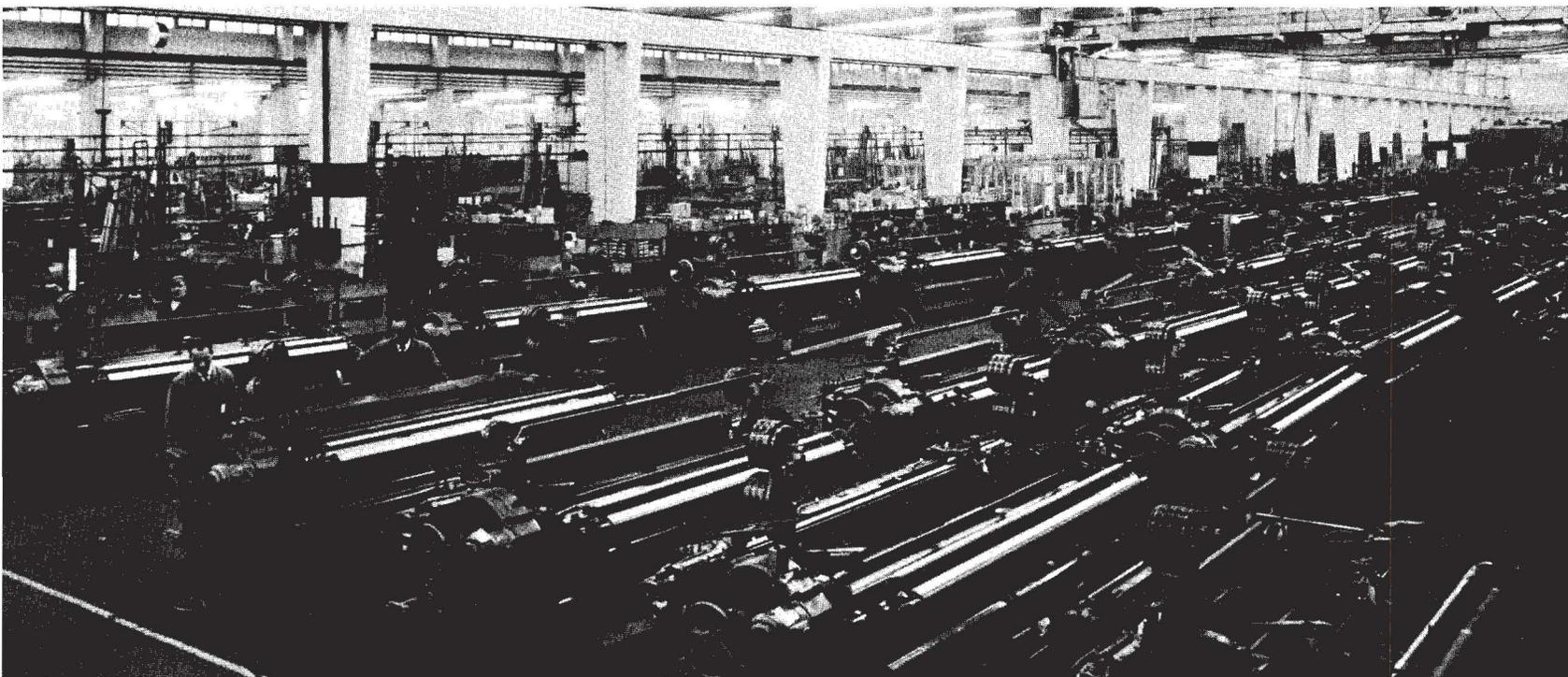
Luxembourg

Despite its feudal title, the Grand Duchy of Luxembourg has significant heavy industry.* Views about industrial organizations are diverse, despite the small numbers involved.

In the immediate postwar years Luxembourg, with an organized labor force of some 40,000, indulged in the luxury of three competing labor organizations, Socialist, Communist, and Catholic. Now, only Socialist and Christian federations contend for the allegiance of the work-force. The Socialist CGT (Confédération Générale du Travail) with 29,000 members, currently outnumbers the Christian CSC (Confédération Luxembourgeoise des Syndicats Chrétiens) which has 11,000 members. Within the bargaining framework provided by the Commission Syndicale des Contrats, the two union organizations, despite ideological and political differences, cooperate effectively. Both find the right to strike somewhat circumscribed by archaic legal constraints on picketing. There is every reason to believe that the present level of friendly cooperation will continue.

Although divided on a number of important issues, the unions in Belgium and Luxembourg, irrespective of religious or political allegiances, are united in their commitment to the idea of a European Community. All would like greater emphasis placed on social aspects of integration and more opportunities for unions to play an important part in the Community's decision-making process.

*Ed. note: With 49 per cent of the industrial labor force engaged in coal and steel occupations.



COMMUNITY NEWS

VACATION CRUSH CAUSES GROWING CONCERN IN EUROPE, OECD SAYS

The vacation crush has spread to the winter sports' season, causing concern to a number of European countries, according to the Tourism Committee of the Organization for Economic Cooperation and Development (OECD). Its annual report, covering 1969 and early 1970, was released in Paris on July 22.

The Tourism Committee commented that a number of member countries were studying the idea of staggering official vacation periods to reduce congestion at peak travel periods. Their approaches to the problem include pricing policies (special off-season price reductions), and product variation (developing new forms of tourism such as cruising and sailing outside the pressure areas and periods). However, one of the most successful attempts at product variation, winter sports, is now running into the same problems as the summer crush.

Travel to Europe Up

In early 1970, travel to Europe had risen between 21 percent and 30 per cent, depending on the country. In the United States, too, arrivals of overseas visitors increased, by 28 per cent during the first quarter. Despite decreases in the growth rates of three out of

four main tourism countries (France, Germany, the United States), the Tourism Committee expected demand for foreign travel to increase faster than last year in view of probable growth in disposable income and consumer expenditure in three of them (Germany, the United Kingdom, the United States).

Last year was a good year for international tourism in most OECD countries (*see graph*). Their total foreign currency receipts from tourism amounted to \$12.3 billion, 10 per cent to 12 per cent above the 1968 figure.

Joint Promotional Efforts

In a number of countries, the Tourism Committee reported, tourism is being reorganized at both the national and international levels. (*For meeting of tourist ministers of the Six, see European Community No. 136, page 23.*) Governments are becoming more and more active in promoting tourism. National tourism officials and regional and national planners are working together to achieve their objectives. In addition, they are extending their activities into the spheres of environmental beautification and long-term policy issues in tourism and leisure-time activities.

TOURISM IN OECD MEMBER COUNTRIES

(rounded figures in millions of dollars)

	Receipts		Expenditures	
	1968	1969	1968	1969
Belgium & Luxembourg	274	314	398	454
France	954	1,058	1,099	1,006
Germany	906	1,026	1,580	1,962
Italy	1,476	1,632	363	493
Netherlands	342	334	458	540
TOTAL COMMUNITY	3,952	4,364	3,898	4,455
United Kingdom	678	852	649	790
United States	1,775	2,058	3,022	3,390
Other OECD Members	4,549	5,044	2,640	3,170
TOTAL OECD MEMBERS	10,954	12,318	10,209	11,805

SOURCE: OECD

EIB RAISES INTEREST RATES

The European Investment Bank is raising its interest rates for the second time this year.

The decision to raise the rates was made by the Board of Directors, meeting in Luxembourg on July 2.

For loans of up to 12 years, it will charge 8.5 per cent a year. For loans of more than 12 years but less than 20 years, it will charge 8.75 per cent. The rates charged since April 28, 1970, were respectively 8.25 per cent and 8.50 per cent.

GRANTS FOR RESEARCH ON EUROPEAN INTEGRATION

Five 12-month post-graduate research grants of \$2,000 each (in Belgian francs) are being offered by the Commission of the European Communities.

Students doing post-graduate research on European integration at any recognized academic center are eligible for a grant if they are nationals of a country with which the Community maintains diplomatic relations. American students are therefore eligible.

A recipient of a grant can ask to be invited to Luxembourg or Brussels for on-the-spot briefings and assistance with his research. The Commission would pay travel expenses from the frontier of a West European country to Brussels or Luxembourg and the costs of his stay there for up to five days.

Applications for the grants should be sent to the Directorate General for Press and Information, Commission of the European Communities, 200 rue de la Loi, B-1040 Brussels, Belgium, before November 15, 1970. They should be accompanied by a curriculum vitae, copies of university diplomas, a brief description of the research being done, and a letter of recommendation from a member of the faculty.

CHEMICAL COMPANIES LOSE APPEAL AGAINST QUININE DECISION

Three of the companies fined last year for violating the European Communities competition rules by coordinating their purchases and sales of quinine have lost their appeal before the Communities Court of Justice.

The decisions, in the three cases filed separately, were handed down the week of July 13-18 in Luxembourg. The appeals had been filed by three of the six companies involved in the quinine cartel: A.C.F. Chemiefarma N.V., formerly Nederlandsche Combinatie voor de Chemische Industrie N.V. (Nedchem), Boehringer Mannheim GmbH, and Buchler und Co. The grounds for appeal included abuse of power (*détournement de pouvoir*) by the Commission, misinterpretation of the law, and inadequate evaluation of the facts involved in the case.

The Court upheld the Commission's reasoning on points of law. However, it made reductions of \$10,000 each in the fines imposed on the three companies on the grounds that there was no proof that the companies had continued their illegal practices for as long a time as the Commission had alleged. The fines now stand at \$180,000 for Boehringer, \$55,000 for Buchler, and \$200,000 for Chemiefarma.

RESEARCH PROPOSALS READY IN BIOLOGY-HEALTH PROTECTION AND PLASMA PHYSICS

Proposals for research by the European Atomic Energy Commission (Euratom) in the areas of biology-health protection and plasma physics were sent to the Council of Ministers on June 19.

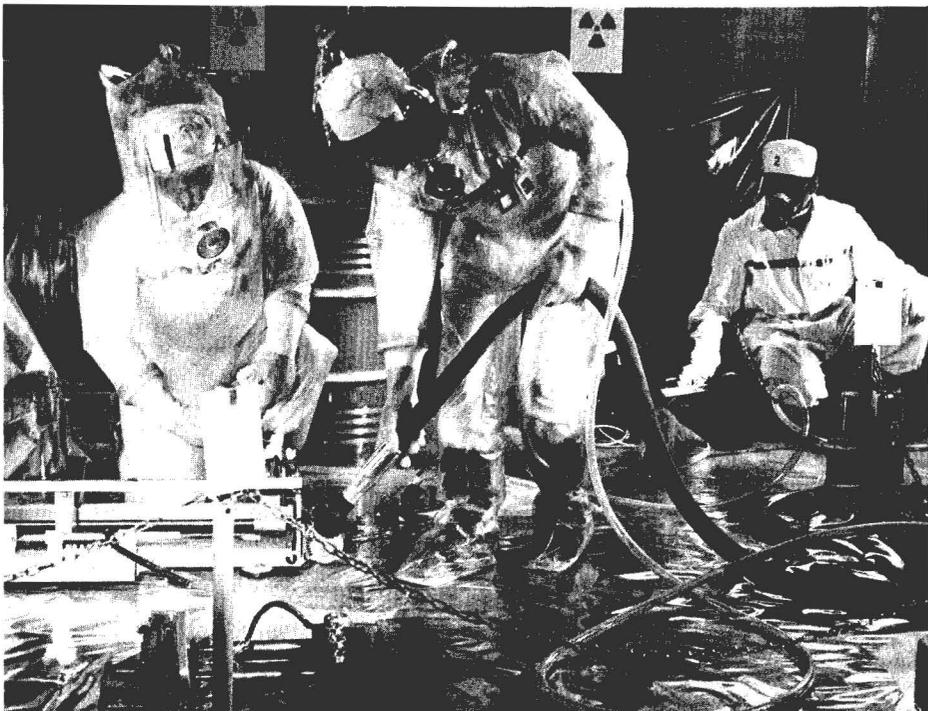
However, no decision will be made on them until multiannual research proposals in other fields can be made. A decision on the complete reorganization of Euratom is to be made before December 1971. In the meantime, the 1969 research program was extended for a year, last December.

Biology-Health Protection

In its biology-health protection research, Euratom has dealt primarily with problems connected with human exposure to radiation, directly or through environmental contamination. Once nuclear reactors reach the commercial stage, this type of research will tend to diminish and become concentrated in specific areas. However, the Commission said this process should not be allowed to obscure two important considerations:

- the impact of increases in nuclear power on public health and on public opinion as well, in view of the serious conflicts that have arisen in some countries between the public and the authorities over the installation of nuclear power plants
- the economic importance of charges imposed on industry by current rules for health

Three specially equipped workers in Euratom's biology-health protection division at Ispra carry out radiation decontamination work.



protection. These rules have become increasingly stringent, reflecting, in part, the relative ignorance of the public about the actual risk nuclear installations pose to individuals and communities.

The Commission therefore proposed the improvement of knowledge about the dangers and the effects of radiation so that an equitable balance can be reached between controls on industry and the safety of the population. The program would center on five types of research: the contamination of man and his environment, hereditary effects, short-term effects, long-term effects, and the measurement of doses of radiation (dosimetry). In 1971-75, Euratom would make available \$38.82 million for this type of research.

Fusion and Plasma Physics

For fusion and plasma physics, Euratom would make available \$57 million in 1971-75. Virtually all research being done in this field within the Community would be coordinated and integrated. Today, the Community's effort in this area is about 20 per cent of world expenditure, slightly less than the U.S. share. After an initial phase of basic research, the stage of applied research is beginning, requiring the construction of larger and more expensive equipment.

The main purpose of research into thermonuclear fusion is the production of electri-

cal energy at competitive prices. The technical problems connected with the construction of a fusion reactor are far from solved, and the generation, heating, and confinement of the plasma for sufficient time to produce useful energy are the subject of intense research. Plasma, in physics, is an ionized gas heated to temperatures so high (around 100 million degrees Kelvin) that its atoms can be confined only by electro-magnetic fields.

Research Contracts

Both the biology-health protection program and the thermonuclear fusion programs would be executed by means of association agreements between laboratories. Their activities and research monies would be coordinated so that they behave like a single group. The Biology Group at Euratom's research establishment at Ispra, Italy, would be maintained as a unit capable of making a significant contribution to the general effort without changing the broad lines of its current objectives.

Small research contracts would be eliminated for all but highly specialized projects, exploratory work, or aid to individual researchers. These contracts would be financed equally by the Commission and its partners, both in money and in personnel.

CHAMBER OF COMMERCE TO REPORT THIS FALL ON INVESTMENTS IN EUROPE

The U.S. Chamber of Commerce will present guidelines this fall for U.S. trade and investment relations with the European Communities, it announced in Washington on August 13.

The Chamber said its Executive Vice President Arch N. Booth had expressed concern, in a letter to President Richard M. Nixon, that U.S. exports were being "gravely threatened" by developments in the Community. The task force was appointed to gauge the potential effects of British membership and other developments in the Communities on U.S. trade interests. The Chamber also said that in the absence of a firm U.S. commitment to protect its own trade interests, the Community could proceed "with arrangements that will ultimately weaken the American trade position with no real gains in terms of a politically stronger Europe."

CORRIGENDUM

On the cover of the July issue, the seals of the United Kingdom and Ireland in the lower corners were switched. Ireland appears in the right hand corner; the United Kingdom was moved to the left.

EFFORTS TO SYNCHRONIZE INTERNATIONAL MONETARY POLICIES BRING RESULTS

The members of the European Communities have had some success in the past year in synchronizing their international monetary policies, according to the Monetary Committee's annual report.

The report reviewing the Monetary Committee's activities from May 15, 1969, to June 30, 1970, will be published in the Community's Official Gazette, the Council of Ministers decided at its July 20-21 meeting. The Committee is an independent group of experts created by the Common Market Treaty to advise the member states' governments and central banks and the Community's Council and Commission.

Persistent Inflation

Inflation persisted throughout the period under review, leading to a deterioration in the Community's overall balance of payments and adjustments in the parities of two currencies, the French franc and the German mark. On both occasions, the requisite "prior consultations" within the Monetary Committee took place after public announcement of the new parities. Judging from this experience, the Committee commented, the procedure for prior consultations could be improved "to ensure that these consultations are held *before* any important measure, for their efficacy is largely a function of their timing."

Economic and Monetary Coordination

As a result of the emphasis placed in the Community on the coordination of economic and monetary policy and on the procedures for initiating systems of short- and medium-term aid to member countries in balance-of-payments difficulties, the Committee said it had spent less time than in past years studying economic and monetary conditions in the member countries.

The Committee recalled that on February 9, 1970, an agreement was concluded between Community members' central banks to make up to \$2 billion available, within quota ceilings set for each member, as short-term monetary support to another member country in balance-of-payments difficulties. These arrangements are to be complemented by medium-term financial assistance on which the Monetary Committee reported during the year and for which the Commission made proposals to the Council of Ministers in June. (See *European Community No. 136, page 24.*) This report will be published as an annex to the annual report.

The purpose of both types of assistance is to:

- contribute to the smooth operation of the Common Market by reducing the risk that a member country will invoke the safeguard clauses of the Treaty to restrain trade

- accelerate the process of economic integration by promoting the harmonization of economic policies (through the conditions attached to the granting of aid) and by preparing for the establishment of economic and monetary union of the Six.

International Monetary Relations

In the future, the Committee said, it would have to devote more and more of its time to the member countries' international monetary policies. During 1969, through consultations within the Monetary Committee, the six Community members harmonized their positions for negotiations within the International Monetary Fund (IMF) for the creation of special drawing right (SDR's) and general quota increases, the two most important decisions in the international monetary sphere during the period reviewed.

The Monetary Committee said that the position of the Six on the need for SDR's, the amounts, and their duration facilitated agreement within the IMF and allowed more ambitious proposals to be brought back to an acceptable level for the Community. The IMF decision to create \$3.5 billion in SDR's during 1970 and \$3 billion each in 1971 and 1972 was posited on assumptions about the trend of other sources of liquidity, particularly the U.S. balance-of-payments deficit which has been the major source of liquidity in the Sixties.

The Monetary Committee also reported that the Community members' IMF quotas would be increased to a total of \$5.474 billion between October 30, 1970, and November 15, 1971. The proposed increases would enlarge the Community members' total quotas by 36 per cent.

EC SURPASSES U.S. AS SUPPLIER OF CAPITAL TO DEVELOPING COUNTRIES

Five members of the European Community provided the developing world with more capital in 1969 than did the United States, for the first time in post-war years.

The total flow of financial resources from Belgium, France, Germany, Italy, and the Netherlands in 1969 amounted to \$5.19 billion as compared with \$4.65 billion from the United States. These figures were released in Paris on July 20 by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD).

The Committee also said that the five Community members all exceeded the 1 per cent of gross national product (GNP) target for financial aid set by the United Nations Conference on Trade and Development (UNCTAD). Denmark also surpassed this target.

In 1969, the United States was the largest single supplier of capital to developing countries, despite the \$150 million decrease in government aid during the year. In terms of effort, however, the United States was the lowest of all DAC members, at 0.49 per cent of GNP, half as high as the UNCTAD financing target.

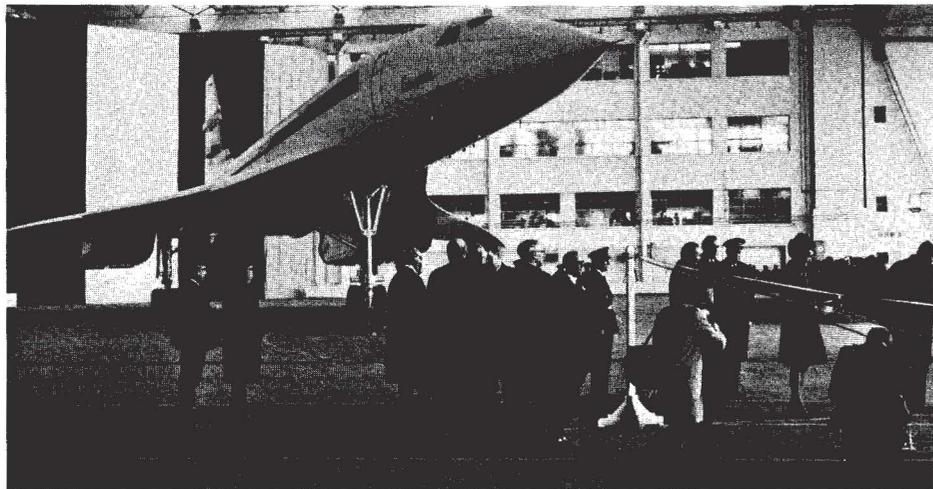
For the first time, Germany was the biggest net provider of private capital, in 1969, supplying \$1.45 billion. The United States, supplying \$1.32 billion, was the second largest supplier of private capital.

DAC members are: Australia, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom, and the United States. The Commission of the European Communities also participates in DAC work.

TOTAL FLOW OF FINANCIAL RESOURCES FROM DAC MEMBERS TO DEVELOPING COUNTRIES

(in millions of dollars)	1960	1968	1969
Belgium	182	243	248
France	1325	1720	1742
Germany	628	1623	1990
Italy	298	550	848 (estimated)
Netherlands	239	276	360
EC TOTAL	2672	4412	5188
United Kingdom	881	760	918
United States	3818	5811	4645
Other DAC Countries	744	2210	2546
TOTAL	8115	13193	13297

SOURCE: DAC



AIRCRAFT COMPANIES ASK COMMISSION'S HELP TO INTEGRATE INDUSTRY

Leading European aircraft manufacturing firms have called for action by the European Community to facilitate integration of Europe's aeronautics industry and strengthen its competitive position.

vfw-Fokker (Germany), Fokker-vfw (Netherlands), Fiat (Italy), Sabca (Belgium) and Dassault (France) urged in a memorandum that pending the establishment of an economic and monetary union, the Community should:

- protect aeronautics manufacturers against excessive changes in basic costs within any one country
- help to offset the distortions resulting from

changes in monetary parities pending the introduction of a European currency

- harmonize the terms of credit, and apply a common credit insurance policy covering political and commercial risks.

If the authorities took these steps, they would help to level out costs among the Community firms and, by favoring cooperation among them on a uniform basis, would enable them to plan long-term programs with built-in safety margins, the firms said. They would also be correcting a structural disadvantage in relation to rival American firms, and so enhance the competitive capacity of the European aeronautical engineering industry.

CPA'S TO HAVE RIGHT TO PRACTICE ALMOST ANYWHERE

Certified public accountants may be offered a temporary solution to the right to offer their services anywhere in the European Communities.

Their activities are covered in two draft directives which the Commission sent to the Council of Ministers in July, one on interim arrangements, the other on eventual arrangements. If passed by the Council of Ministers, these directives would require Community members to remove nationality restrictions that bar a qualified national of another member country from offering services there. The directives would apply to the following services: bookkeeping; auditing and certification of accounts; consulting on tax matters connected with bookkeeping and audits; consulting on finance, economics, business, statistics, organization, information, and management, and giving expert opinion in these fields.

When engaged in these activities, nationals from other member states are on an equal footing with those of the host state: they

must comply with the appropriate provisions of that state.

Solution not Ideal

Some member countries require a diploma before granting permission to offer services covered in these draft directives. Mutual recognition of diplomas, the ideal solution was impossible to secure in the near future as it involves setting additional training methods for municipal law.

According to the temporary solution, the host country will take into account a person's training in his home country if it meets the minimum requirements specified in the directive. However, training in the home country cannot be claimed for certification or validation work done to comply with a law of the host country which specifies training conditions. In this temporary arrangement, a distinction is thus made between training conditions for accounting activities and other economic and financial activities also covered by these draft directives.

THIRD ALLOCATION OF 1969 REFORM AID

To help member countries finance 222 projects improving methods of producing and marketing agricultural commodities, the European Communities Commission has allocated \$48,021,800.

This allocation, announced on July 23, was the third of four allocations from the \$160 million set aside in the 1969 budget of the common farm fund's Guidance Section to help finance structural changes in farming. For the fourth installment, which should be approved towards the end of October, \$58,070,955 remains.

All eligible projects in Luxembourg were financed under the second installment for 1969. (See *European Community No. 132*, page 25.)

The grants approved under the third installment are distributed as follows:

Country	Amount of Aid	Number of Projects
Germany	\$13,540,946	41
Belgium	3,699,541	24
France	10,652,075	49
Italy	16,234,903	94
Netherlands	3,894,335	14
TOTAL	\$48,021,800	222

Of these 222 projects, 144 involve improvements in the structure of production. They have been allocated \$29,823,187—62.1 per cent of the total assistance granted. Sixty-seven projects involve improvements in marketing. They received \$15,071,095—31.4 per cent of the total assistance granted. The remaining 14 projects received \$3,127,518—6.5 per cent of the total.

Types of Projects Aided

Most of the projects selected for the improvements they would make in the structure of production involve land consolidation, drainage, and irrigation. These projects are concentrated in Germany, Belgium, France, and the Netherlands. In Italy, the emphasis is on replacing old vines with new and planting olive trees. In the wine-growing industry, the Commission has taken pains to assure that Community assistance will not lead to production increases and that the varieties planted are those recommended by national legislation.

Of the funds made available to improve marketing, the largest part is ear-marked for the milk industry (31.7 per cent). The next largest parts went to the fruit and vegetable industry (28.2 per cent) and to the meat industry (3.4 per cent).



FREE CLASS ROOM MAP

The European Community Information Service will provide one copy per classroom of a map showing the administrative regions and principal cities of France, Germany, Italy, The Netherlands, Belgium and Luxembourg. Each country is designated by its official Community color. Countries which are not members of the Community are in beige. The map is 38 inches wide and 48 inches long. A folded copy of the map will be sent free of charge. For an unfolded map, there will be a charge of \$1.50 to cover the cost of the mailing tube and additional postage.

RECENT BOOKS ON COMMUNITY TOPICS

EUROPEAN COMMUNITY periodically lists books dealing with Community and Atlantic topics. This presentation does not indicate approval or recommendation of these publications.

The Organization of a European Monetary Order. European League for Economic Co-operation conference on October 25-26, 1968, and summary of proceedings.

The book includes papers by Alexandre Lamfalussy, Managing Director of the Bank of Brussels, "Towards a European Monetary Order?"; Professor Rudolf Meimberg, University of Mainz, "Co-ordination of Budget Policies in West European Countries"; an address by Raymond Barre, Vice President of the Commission of the European Communities on "Monetary Cooperation within the European Community," and excerpts from the debates.

The Changing Status of German Reunification in Western Diplomacy. By Charles R. Planck. Johns Hopkins Press, Baltimore, 1967, 65 pages.

An essay on developments in the three Western Allied Powers' policies toward German reunification.

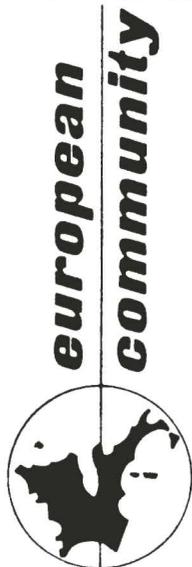
The author reviews policy of the North Atlantic Treaty signatories on German reunification from the perspective of West German preferences and Bonn's endeavors to have those preferences respected by its Allies.

International Monetary Reform, 1964-1969: The Political Dimension. By Stephen D. Cohen. Praeger Publishers, New York, 1970, 222 pages with bibliography and appendices. An assessment of the effects of politics on the development of the international monetary system.

The author examines the course of events that led to the creation of Special Drawing Rights. He concludes that the reform resulted from Atlantic Community politics. The increasing importance of Western Europe as a political and economic entity has given Western Europe a greater voice in decision-making on the creation and management of international liquidity. He concludes that this development is a significant departure from traditional international monetary procedures which were governed primarily by technical considerations.

Euratlantica: Changing Perspectives of the European Elites. By Daniel Lerner and Morton Gorden. M.I.T. Press, Cambridge, 1969, 477 pages with annexes and index.

The European Elite Panel Survey (TEEPS) conducted five sets of interviews with opinion leaders and policyholders in Britain, France, and Germany and a survey of "European" decisionmakers in Brussels. The changing perspectives of this élite are considered from an historical point of view. The authors focus on the evolution of European-American relations and suggest that European élites have turned from inherited ideologies toward pragmatism, from nationalism toward transnationalism, from parochialism toward pluralism.



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