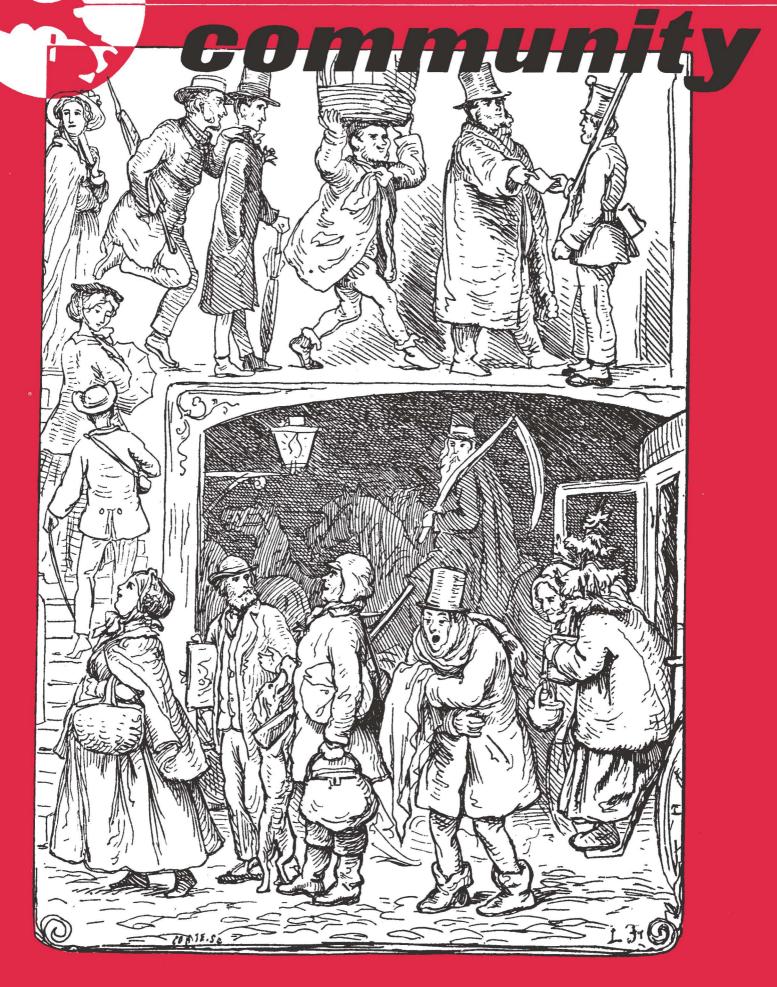
**DECEMBER 1972 NO. 161** 

## european



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COVER: The Danish writer, Hans Christian Andersen, delighted children throughout the world with his enchanted people and animals. In his story Twelve by the Mail, 12 persons all named for months of the year, alight from a carriage as the clock strikes midnight on New Year's Eve. December carries a little potted fir which will in 12 months grow into a Christmas tree. An illustration by Lorenz Frolich, in Ney Eventyr og Historier, 1870, Copenhagen, from the Jean Hersholt Collection of Anderseniana, Library of Congress, Washington, DC. European Community is published in English, French, Italian, German, Dutch, Greek, Spanish, and Turkish by the offices of the European Community Information Service. Subscriptions can be obtained from the European Community Information Service.

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# **Community News**

## Warming Up for '73; EC-US Trade Relations

The European Community and the United States will be comparing trade positions and bringing their differences into focus in the months leading up to the 1973 global trade talks. In fact, the process has already begun. The September publication of the Organization for Economic Cooperation and Development (OECD) report on "Policy Perspectives for International Trade and Economic Relations" and the semi-annual informal EC-US talks in October were among the first attempts to determine issues and general attitudes.

#### **Report Pinpoints Problems**

The OECD Committee itself almost became an obstacle to cooperation when the two trading partners disagreed on its purpose. The United States had hoped the forum would provide an opportunity to develop an advanced conceptual framework for future world trade relations and named its top trade negotiator, William D. Eberle, as representative. Together with Commission negotiator Theodorus Hijzen, the European side was represented by such elder statesmen as former Commission President Jean Rey of Belgium and former Commission member Robert Marjolin of France. The Europeans were more cautious than the United States had wished and sought only to define the problems without suggesting new policy departures. In the end, the Rey Beport (named after Mr. Bev. Committee chairman) reflected the European participants' aims (see European Community No. 160, page 3). According to the report preface, the views of the participants "do not commit their governments or authorities.'

In addition to the OECD Committee, other unofficial but influential groups are attempting to present a clear summary of trade problems and possible solutions. The Trade Policy Research Center of London has called for linear, automatic tariff cuts eliminating most barriers within 10 years. It also suggests general rules of competition to cover non-tariff barriers and inclusion of the principle that costs for internal economic adjustment should not be passed on to other nations. The United States has often stressed that the latter principle be applied to the Community's common agricultural policy.

#### EC-US Semiannual Talks

Meanwhile EC Commissioner Ralf Dahrendorf and US Under Secretary of State John N. Irwin II have been probing the basic motives and objectives of both sides in the



Mediterranean nations export from 50 per cent to 80 per cent of their products to Community countries, whereas they find a market for only 6 per cent of their goods in the United States, according to EC calculations. A young Tunisian harvests dates. PHOTO: Embassy of Tunisia

coming talks. The agenda for their October 5-6 meeting in Washington, DC, included discussion of the proposed trade negotiations, the Community's agricultural and industrial policy, and EC policy toward the developing world. During these talks, the United States directed special attention to the Community's plans to establish a free trade area with non-member Mediterranean countries *see page 12*). The United States opposes any enlargement of a system of preferences on the grounds that they divide the world into trading blocs and weaken the principle of multilateral free trade.

In response, the Europeans have presented their "global approach" to EC-Mediterranean relations as a means of promoting peace and stability in a volatile area of the world. They also consider the proposed free trade area a natural development stemming from common interests and close geographic proximity.

#### **Der Spiegel Interviews Mills**

In an interview with *Der Spiegel* published in the week of September 10, Representative Wilbur D. Mills (D-Ark.), chairman of the House Ways and Means Committee, touched on several issues sure to be included in the continuing dialogue. Representative Mills said that the "European Community fences in a constantly growing part of the world and thereby damages American export interests . . . we watch the preferential agreements with great anxiety." The Europeans contend that US trade has, on the contrary, benefited from many of the EC preferential accords. Fast-growing EC imports have provided other countries with revenues to increase their imports in turn, significantly boosting US trade. For example, US exports to the 18 African Associates under the Yaoundé Convention, although traditionally small, grew by 158 per cent between 1958 and 1971. During those years, EC exports to the Yaoundé countries grew by only 97 per cent.

#### Does EC Hinder Japanese Imports?

Mr. Mills also said that the Community "hinders the importation of all Japanese products from textiles to electronics. Japanese exports are flooding the US market because "the Japanese are not allowed to be market partners [of the Community]," Mr. Mills said. EC officials admit that some member states do maintain some quantitative restrictions against Japanese products, just as the United States does. Nonetheless, the rapid annual increase in Japanese exports to EC nations (25 per cent in 1971 and 24 per cent in the first half of 1972) indicates the limited effect of these restrictions.

Thus, the preliminaries have begun. Much remains to be discussed to focus broad issues and understand attitudes before either side sits down at the negotiating table.

### Commission Begins Search For Emblem

The Commission of the European Community has decided 14 years without an official insignia is long enough.

A contest will be organized in the fall to solicit ideas on the contents and design of an appropriate emblem for the Commission. Community publications now carry an unofficial emblem with member countries' outside borders silhouetted within a circle. The Community's enlargement in 1973 will make the current insignia obsolete.

Professional graphic artists, designers, and art students from the six member and four candidate countries are invited to participate. Entries should be made on 8.5" x 11.6" paper and may be in color. A black and white copy of each design should also be submitted. All entries must be postmarked by February 15, 1973.

Entries and requests for additional information should be addressed to: Communautés Europeenes, Direction General Presse et Information (X B 1), 200 rue de la Loi, B-1040 - Brussels, Belgium. All participants must be citizens of either Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, or the United Kingdom.

## Assn Council Outlines Cooperation Framework

Community education assistance in the associated states in Africa and Madagascar should be geared toward priorities established by the recipients, and construction standards for school buildings must be adapted to local conditions to keep down maintenance costs.

These were two of many principles adopted in the Association Council's October 10 resolution on the general pattern for financial and technical cooperation between the Community and its associates. The Association Council is made up of one minister from each of the 18 associated nations and each of the six EC member states as well as EC Commission members. Mauritius, scheduled for association next January, attended the meeting as an observer.

Management personnel should be trained for the various development projects and programs in the field of education, the resolution said. The Council also suggested that the Community "examine certain methods of aid" to ensure the success of development projects which lose their investment backing in midstream.

The Community and the associates together should inform European industry

about the investment potential in the associated nations, the resolution said. The Community should also foster "encounters between European promoters . . . and representatives of industrial promotion and businessmen from the associated states," the resolution said.

#### **EC Import Schedules Criticized**

In the same meeting at which the resolution was passed, the associates' spokesman criticized the Council's April 25, 1972, decision effectively ending duty-free access to the Community market for some fruits and vegetables exported by the associates, except at certain times of the year. Previously, the associates' fruits and vegetables had entered duty-free throughout the year.

The spokesman for the associates said the new rules would decrease the export potential of some crops associated countries had recently begun growing and which were about to become profitable. The Community agreed to reexamine the new policy before May 1, 1973. The associates, however, considered that date unacceptable and later in October obtained the good offices of Jean Rey, former Commission President, to try to solve the problem before the end of the year.

The Community also said the associates' request for an import quota of 50,000 metric tons of sugar at a preferential price would be included in the 1973 negotiation for renewal of the Yaoundé Convention.

#### **UNCTAD Discussed**

The Community and the associates exchanged views on the results of the United Nations Conference on Trade and Development (UNCTAD) held in Santiago, Chile, in May 1972. In a statement on October 4, UNCTAD Secretary General Manuel Perez-Guerrero summarized the developing countries' position after the Santiago Conference. He said that any overall settlement in the monetary, trade, and finance spheres must include:

 improved arrangements for expanding the flow of international commodity trade at stable and remunerative prices

· the implementation and improvement of the generalized system of preferences · arrangements for the progressive liberal-

ization of non-tariff barriers to the exports of developing countries

· the achievement of the 1 per cent capital flow target and the 0.7 per cent target for official development assistance

· the establishment of a link between Special Drawing Rights (SDR's) and development aid.

## EC Official Says Health Experts Must Be Heard

EC Commissioner Albert Coppé has urged that health experts be heeded in their battle against lead pollution of the environment.

Speaking on October 2 in Amsterdam before the International Symposium on health problems posed by lead in the environment, Mr. Coppé said that "in the process leading to the decisions necessary to combat pollution, the biologists and those responsible for health should be able to make their voices heard."

To achieve completely free movement of goods. Community member states must determine and agree to what degree certain pollutants are dangerous to health. Only then can remedies be applied uniformly throughout the "Nine." The automobile and petroleum industries will be especially affected by the problem of lead additives in gasoline. Mr. Coppé said the Community must seek "a pooling of ideas" to reach common solutions compatible with one of the Community's major objectives, "the most complete possible economic union."

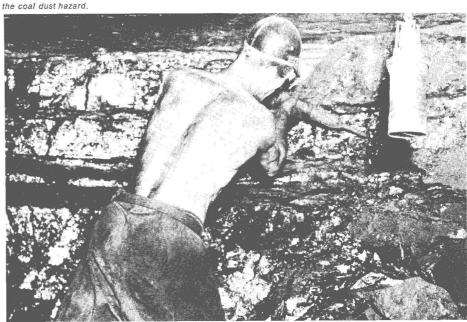
#### "Black Lung" Prevention Sought

At a second conference, sponsored by the

Commission of the European Communities, some 500 persons from Europe and the United States discussed ways to combat pneumoconiosis or "black lung disease," a chest ailment caused by constant inhalation of fine coal dust. The October 11-13 conference in Luxembourg heard more than 40

reports, most of them based on research financially supported by the European Coal and Steel Community (ECSC). Out of \$40.2 million allocated by the ECSC to social research, \$11.9 million has gone toward finding solutions to the coal dust hazard. An additional \$7.6 million has been earmarked for respiratory diseases. In 1971 the Commission launched a five-year research program on "Mine Hygiene."

The Community has spent \$11.9 million on research to protect coal miners, such as this German worker, from



## Members Appoint Five of the New Thirteen

Sir Christopher Soames and George Thomson of the United Kingdom and Patrick J. Hillery, the current Irish Foreign Minister, will be members of the Commission of the enlarged European Communities next January. Denmark, the third new member of the Community of "Nine," has not yet made its appointment to the expanded 13-member Commission.

France announced October 25 that it will renominate Commissioner Jean-François Deniau and nominated its second appointee, François-Xavier Ortoli, as the next President of the Commission.

According to Common Market rules, it is France's turn to hold the chairmanship and Mr. Ortoli, a Corsican, will begin his twoyear term on January 1. Mr. Ortoli served as Minister of Finance in the 1968 Government of Prime Minister Maurice Couve de Murville and as Minister of Industrial and Scientific Development in the Government of Jacques Chaban-Delmas.

Both Mr. Soames and Mr. Thomson were involved in the negotiations for British entry into the Community. As Minister of Agriculture in the Macmillan Government, Mr. Soames was closely involved in the abortive 1961-63 entry negotiations. In 1968 the Labour Government appointed Mr. Soames, a Conservative, Ambassador to France, where he helped prepare the renewed negotiations. In spite of the so-called "Soames Affair," when the French accused the British of leaking confidential conversations, Mr. Soames played a critical role in overcoming French objections to British membership in the Community.

#### Thomson Protested Labour's Anti-Marketism

Mr. Thomson held various ministerial posts in the 1964 Labour Government before his 1968 appointment as Chancellor of the Duchy of Lancaster, (minister without portfolio) with special responsibility for relations with the Community. Had Labour won the 1970 general election, he would have been the chief British negotiator for Common Market entry. Last April, Mr. Thomson joined deputy party leader Roy Jenkins in resigning from the "Shadow Government" in protest over Labour's decision to vote against entry into the Community. Commenting on his appointment to Brussels, Mr. Thomson said, "I take this on, believing it is in the best long-term interests of my country and of the Labour Party.'

As Foreign Minister, Dr. Hillery led the Irish delegation in the negotiations for entry into the Community and then played a lead-



Patrick J. Hillery PHOTO: Embassy of Ireland



François-Xavier Ortoli PHOTO: French Embassy Press & Information Division, New York



Christopher Soames PHOTO: GAMMA, Paris

ing role in the successful referendum campaign. He has served as a Minister in the Government Party, Fianna Fail, since 1959, and has been frequently mentioned as a future Prime Minister.

Ralf Dahrendorf

George Thomson

PHOTO: British

Central Office of

Information, London

## British Entry: Thanks to the Liberals

On two occasions this year, British Premier Edward Heath's Government escaped defeat on Common Market legislation—meaning resignation and fresh elections—because five of the six-man oppositional Liberal group voted with the Government. (A seventh Liberal was elected in a byelection, October 27.)

Although they have only 1 per cent of the seats in Commons, Liberals get from 8 per cent to 11 per cent of the British vote in general elections. If proportional representation gave their candidates a better chance, they would get more—perhaps a quarter of the vote, they believe, including most British university graduates.

The five parliamentary Liberals who voted for all enabling legislation connected with

British membership in the European Community did so on principle; 15 years ago, the Liberals were the only British party in favor of joining. The temptation to switch votes or abstain, in criticism of minor aspects of the Accession Treaty, was great: • It would have caused an election over the issue of membership which, according to polls, more than 50 per cent of Britons still oppose.

• It would have scored heavily in the Liberal's own electoral districts.

All five pro-Market Liberals represent rural areas and, despite European farmprice subsidies, farmers are among the Britons most suspicious of the Common Market. Two of the Liberals are Scots, probably over half of whose constituents dream of independence from Britain, let alone Europe. One is Welsh, and the Welsh want a maximum of autonomy.

The Liberals have never been afraid to represent their wider British constituency, the suburban educated who cannot elect a Liberal member of Parliament. Scottish Member of Parliament David Steel sponsored Britain's new abortion and easier divorce laws, neither of which are appreciated by his fellow Calvinist Presbyterians in Peebles, his Highland constituency.

#### **Liberals Stress Decentralization**

But Liberals do tell their Scottish, Welsh, and "West Country" constituents that European unity has a plus in sight which they can all appreciate: decentralization of national governments. The idea of regional parliaments in Wales, Scotland, Southwest England (the "West Country") and other areas is now accepted, in principle, by Tories and Labour. There are precedents in Britain: Ulster, the Channel Islands, and the Isle of Man all have regional parliaments and separate fiscal systems. When Ulster's government is restored, it is currently intended that it shall be on a "proportional representation" basis.

Regional governments, even if they are not all "proportional," will almost certainly be elected from the smallest political units, the wards. Like the current, fairly powerless County Councils, they are therefore expected to contain a multiplicity of parties and plenty of Liberals.

In the October 1972 issue, the price of the European Airbus (A300B) was cited incorrectly in the aviation story on page 4. The correct price per unit is slightly more than \$14 million, rather than \$40 million as stated in the story. The \$14 million does not include spare parts or simulators.

## Tories Seek "Best Seats in the House"

When Britain joins the European Community in January, Britain's 18 Conservative members just might sit, as a group, with France's 19 Gaullists in the European Parliament.

Tory strategists are hard at work deciding just where to throw their weight. Ideologically, Britain's Conservatives belong with the Strasbourg Parliament's Liberal bloc, since "Liberal" on the Continent refers to believers in liberal, laissez-faire economics. This bloc is mostly Italian, and Italian Liberals have been courting British Premier Edward Heath's men; but "progressive" Tories regard the Italian Liberals as too far to the right.

Mr. Heath himself, and many of his strongest "pro-European" followers would prefer to join the Christian Democrats. This would align the British governing party with a predominantly German force, and make the Christian Democrats the Parliament's largest bloc-roughly 40 per cent of the Common Market legislature. One factor pushing Heath towards this alliance is that Germany was consistently a powerful friend of Britain in the tortuous negotiations to bring the United Kingdom into the Community. But Italian Christian Democrats, who offer themselves in Italian elections as a substitute "progressive" force to the Communists and the Socialists, want no part of an image-destroying alliance with Britain's "big business" party.

President Pompidou's (Gaullist) European Democratic Union (EDU) has been making overtures to the Conservatives also. Joining the group which has given the British negotiators the greatest trouble in the past makes Machiavellian sense, since marriages imply mutual concessions, and the advantage for the Gaullist bloc would be doubled strength (becoming the European Parliament's third largest group) and a shedding of the group's chauvinist image.

#### Separate Group Also Possible

A fourth alternative also under consideration is for the Tories to form a separate group like the EDU. But as well as looking like an inauspicious "mono-tribal" start in European Parliamentary life, forming a separate Tory bloc would also mean poor chances of securing chairmanships of committees and fewer chances to speak in debate, since time is allocated to blocs on the basis of their size.

The European Parliament has few powers at present but these are expected to grow, although the Conservatives share with the Gaullists a reluctance to see the Strasbourg legislature become a real legislature for many years.

In the immediate future, the Conservatives appointed to serve in Strasbourg have a fifth possible choice: that they may never get there at all. If Britain's Labour Party goes through with Chairman Wedgwood Benn's threat to boycott the Strasbourg Parliament, the danger of being voted out of office while away would keep Heath's 18 parliamentary voters back in Westminster.

(The "national" membership of the enlarged European Parliament in January will be: Britain, France, Germany, and Italy, 36 members each; Belgium and the Netherlands, 14 each; Denmark and Ireland, 10 each; and Luxembourg, six.)

### EC Embarks on Anti-Inflation Program

The European Community has embarked on its most concerted effort to date to control inflation.

Meeting in Luxembourg, October 30-31, the six-nation Council of Ministers set guidelines for increases in consumer prices, government spending, business investment, and money supply. Denmark, Ireland, and the United Kingdom (which will join the Community on January 1, 1973) were represented.

This was the first sequel to the ninenation Paris Summit meeting last month. The Summit confirmed the Community's commitment to full economic and monetary union by 1980.

The Luxembourg resolution specifies: • a limit on consumer price increases to 4 per cent from December 1972 to December 1973

• money supply to expand only in proportion to real economic growth. In other words, if gross national product (GNP) rises by 4 per cent at fixed prices, the money supply can expand by a total of 8 per cent (allowing 4 per cent inflation). Since some member states have been allowing money supply to grow by as much as 16 per cent a year, the Community does not expect to attain this target until 1974

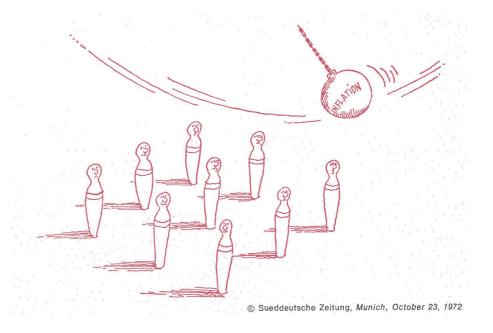
• public spending growth to be tied to GNP growth

 member governments to consult with labor, management, and consumer organizations to try to keep wage and investment increases proportional to economic growth

• a stress on vocational training and rehabilitation to relieve unemployment

• temporary tariff reductions and quota liberalization to expand the supply of consumer goods and relieve price pressures. Proposals on specific reductions other than those on beef and potatoes were postponed until January 31, 1973.

Although substantial, decisions were not as far-reaching as the Commission had hoped. The Commission had proposed that price increases be held to 3.5 per cent and had urged a 15 per cent across-the-board tariff reduction. The Council temporarily cut tariffs in half for most beef imports, whereas the Commission had proposed total abolition of beef product tariffs. The tariff on beef is now 10 per cent and the tariff on live cattle, 8 per cent. For calves and young male bovines, the tariff is now zero. The Council also suspended quotas for potato imports from November 15, 1972, to February 15, 1973.



## **Common Policy Proposed to Meet Energy Shortage**

By 1985 the energy needs of the current EC members will have risen to some 2,000 million tons of coal equivalent (tce), and the Six will depend on outside countries for 69 per cent of their energy supply, according to a forecast made by the Commission in September.

The Commission sent two communiqués to the Council on October 4 on a common policy to help meet these shortages. The two documents supplement the basic guidelines for energy policy, established by the Commission in December 1968.

The first of the recent communications, entitled "Necessary Progress of the Common Energy Policy," outlines the goals that should guide policy-making in the energy sphere. The Commission named environmental quality a top priority consideration and recommended legal sanctions against polluters. Other Commission objectives include rational energy utilization through recuperation of residual heat and other techniques, an intensification of scientific and technical research, greater solidarity among the Six as energy purchasers, and economic cooperation between energy-producing and energy-purchasing nations.

The second communication, "Problems and Means of Energy Policy for the Period 1975-1985," urges additional measures for combatting shortages, notably broadening of reserve stocks, diversification of market sources, and increased utilization of nonpetroleum-based energy sources. The Community consumed 973 million tce in 1970, with 66 per cent of that total supplied by non-member countries.

#### Atomic Energy Rise by 1985

Nuclear energy may solve the energy problem for future generations because it can be produced economically on home soil and is relatively non-pollutant. In its Second Illustrative Nuclear Program for the Community, published in October, the Commission set an installed nuclear capacity of 100,000 electrical megawatts (MWe) as a 1985 target. Such a level will require an investment of \$124.9 billion in power plants and \$7.6 billion in fuel, the Commission said. In 1971 net nuclear energy capacity in the Six totaled 4,300 MWe.

## Month in Brief

#### **OCTOBER 1972**

2 Danish entry into the European Community is approved by national referendum (See European Community No. 160, page 10).

2 EC Commissioner Albert Coppé speaks in Amsterdam before the joint EC-US International Symposium on health problems posed by lead in the environment (See page 4).

**2-3** The Council of Ministers discusses measures to encourage beef and veal production and changes in the organization of the fruits and vegetables market.

**5-6** EC Commissioner Ralf Dahrendorf meets with US Under Secretary of State John N. Irwin II to discuss EC-US relations (See page 3).

7 The United Kingdom announces the nominations of Sir Christopher Soames and George Thomson to the Commission of the European Communities (See page 5).

**9-10** The Council of Ministers discusses a proposed industrial free trade area linking the European Community with the Mediterranean countries (See page 12).

9-13 The European Parliament meets in Strasbourg.

**10** The Association Council meets to discuss EC relations with its African associates (See page 4).

**11-13** An international conference, sponsored by the Community, is convened in Luxembourg to hear reports from experts on the prevention of "black lung" disease. (See page 4).

**19-20** The heads of state or government of current and future EC members meet at the Summit in Paris (See pages 8-11).

25 France announces the renomination of Jean-François Deniau and the nomination of François-Xavier Ortoli to the Commission of the European Communities (See page 5).

**30-31** The Council of Ministers sets inflation guidelines, makes recommendations for money supply increases in member states, and lowers beef tariffs (See page 6).

## Commission Urges Worker Participation on Firms' Supervisory Boards

Workers should be represented on the supervisory boards of firms located in the EC member states and employing more than 500 persons.

This measure was one of several contained in a September 27 Commission proposal to harmonize corporate practices within the member states. Under the suggested provisions, corporations throughout the Community would be governed by a management board, responsible for day-today business, and a supervisory board, responsible for keeping tabs on the management board's activities. The supervisory board would also have the power to dismiss management board members. Tandem decision-making between the two boards would thus become the rule for corporations within the Common Market, if the Community's Council of Ministers approves.

Labor's influence on the supervisory boards of firms employing more than 500 persons would be assured through either of two methods left to the choice of the member states: one-third of the supervisory board membership would be appointed by workers or their representatives or the entire board would be jointly selected by labor and management.

Other recommendations include stipulations that no person serve on more than 10 supervisory boards, the management board present the supervisory board with status reports at least every three months, and the management board consult the supervisory board on all matters fundamentally affecting the corporation.

The new rules would also entitle stockholders to obtain from the corporation any information relating to topics listed on the annual meeting agenda. The company board and banks would have to disclose whose shares they represent at annual meetings, and stockholders thus represented would have to give their proxy in writing.

The Commission's proposals are largely inspired by German and Dutch legislation, although other current member countries have been gradually moving toward a twotier structure and compulsory or voluntary workers' participation.

## **Summing up the Summit**

RICHARD NORTON-TAYLOR Special Correspondent in Brussels for The Washington Post

"It's the highest mountain in Europe, isn't it?" replied the man on the scaffolding on the Hotel Majestic in Paris when asked by a television reporter what the European Summit was. On the same program, a Frenchwoman thought the Common Market referred to a local food supermarket.

The nine Governments of the enlarged Community at the October 19-20 Summit in Paris wanted in varying degrees to seize the chance to give the Community a human face. This spring's referendum on Europe in France and Norway's "No" to EC entry last month clearly demonstrated that the Community, in the 14 years of its existence, had failed to attract the man in the street. In the end, however, the two-day Summit turned out to be a kind of Council of Ministers meeting de luxe, oiling the Community's face but scarcely giving it a human one.

After a long night's haggling over the final communiqué, the Summit laid down a series of deadlines and action programs for the Community's future. According to the final Summit communiqué:

• Transition to the second stage of economic and monetary union will begin on January 1, 1974, and be completed by December 31, 1980.

• By April 1, 1973, the projected European Monetary Cooperation Fund will be established.

• Community institutions will submit reports by September 30, 1973, on increased short-term credit facilities and by December 31, 1973, on the pooling of member states' reserves.

• By May 1, 1973, the Commission will report on the distribution of power between the member states and EC institutions.

By June 30, 1973, the foreign ministers will come up with a new report on future political cooperation.
By July 1, 1973, the "Nine" due to the persistence of British Prime Minister Edward Heath supported by German Chancellor Willy Brandt, the Community will agree on a common position for the forthcoming worldwide trade negotiations in the General Agreements on Tariff and Trade (GATT).

• By July 31, 1973, the Brussels institutions will establish a program of action on environmental control.

• By the end of 1973, the Regional Development Fund will will be established and development policy will be studied. In addition, an action program "with a precise timetable" for a common industrial, scientific, and technological policy will be worked out.

#### **Deadlines, Not Directives**

The Summit produced deadlines rather than binding directives, but such self-imposed timetables have often resulted in success in the past. Much of the groundwork, of course, had been achieved by the permanent representatives in Brussels before the event.

Some of the first morning's prepared speeches set the tone for the rest of the conference, with French President Georges Pompidou and Mr. Heath both confident that they would get what they were primarily after. Mr. Pompidou wanted a specific timetable for the development of economic and monetary union, with central banks pooling their reserves, and the creation of a European monetary unit of account for intervention in the EC foreign exchange markets. The British Prime Minister sought a specific commitment by the Nine to set up a European Regional Development Fund by the end of 1973. Mr. Heath had a second ambition at the Summit: an increased awareness - accompanied by intensified political and foreign policy cooperation within the Community - of Europe's growing responsibilities and potential influence in the world, Chancellor Willy Brandt concentrated on the need to fight inflation (a major issue in the forthcoming West German federal elections) and called for a social policy for the Community. He also went home reasonably satisfied when the ministers broke up just as Friday night turned into Saturday morning.

Dutch Prime Minister Barend Biesheuvel and President of the European Commission Sicco L. Mansholt were less pleased with the results. "We shall simply have to have European elections for the European Parliament if we wish to involve every European in the moulding of European policy," Mr. Biesheuvel insisted. "I am quite sure that I have been expressing the convictions of the vast majority of the Netherlands Parliament."

#### **Mansholt Urges Strong Social Policy**

President Mansholt said that "systematic checks at the Community's frontiers should be done away with, and nationals of member states should be progressively integrated into the social, administrative, and political fabric of their host countries, with the aim of gradually conferring upon them "European civic rights." Giulio Andreotti, the Italian Prime Minister, echoed this theme. Mr. Mansholt then called for cooperation in the field of education to achieve "free movement of both teachers and taught within the Community."

Mr. Biesheuvel's and Mr. Mansholt's ideas were not incorporated in the final communiqué in any but the most general way, and the question of giving the European Parliament greater powers was specifically and carefully divorced from the direct election issue. All the leaders of the party groups in the European Parliament, with the exception of Raymond Triboulet of the European Democratic Union (Gaullists), expressed disappointment with the vague references to their institution.

Nevertheless, the French national armor appeared dented. The EC institutions in Brussels, for example, have been charged with drawing up proposals in such new policy areas as environmental protection. President Pompidou's suggestion for a European foundation "for the improvement of working and living conditions," presumably on an inter-governmental basis outside the existing Brussels framework was rejected. The EC institutions, rather than the member governments or national foreign offices, will draw up a report on the contents of "a European union," a phrase which Mr. Mansholt had to admit in his post-Summit press conference could mean anything to anybody. France's partners succeeded in "enriching" the mantle of economic and monetary union, which the



French President Georges Pompidou addresses the Summit. On his left (foreground) are German Chancellor Willy Brandt and German Finance Minister Helmut Schmidt. Seated to Mr. Pompidou's left are Irish Prime Minister John Lynch, Irish Minister for Foreign Affairs Patrick J. Hillery who has been nominated for Commission membership, and Hugh McCann, Secretary of the Irish Foreign Affairs Department.

French Government only a few months ago had made quite clear it wanted to restrict purely to tighter monetary cooperation. West Germany wove in economic coordination and social policy, and Britain added common industrial and regional policies.

#### Monetary Union To Satisfy Triangular Equation

Meanwhile, the potential sticking point is the decision "which should be taken in the course of 1973 so as to allow the transition to the second stage of the economic and monetary union by January 1, 1974." There is a triangular equation: German insistence on proof of effective economic coordination before going on to the second stage; Dutch pressure for specific new powers of control for the European Parliament at the start of the second stage; and British interest in getting the European Regional Development Fund going. Although the Regional Fund will be set up by the end of next year, it will be financed from the EC budget only "from the beginning of the second phase of economic and monetary union." The \$48 million a year now discussed as the Fund's initial output to all nine member countries is unlikely to satisfy Britain's demands.

The content of economic and monetary union's second stage is another unknown. For France (and the Benelux if it is satisfied on future commitments for democratic control over major EC decisions), it means a move toward still narrower exchange rate bands, progressive pooling of national reserves into the European Monetary Cooperation Fund, increased funds for automatic short-term financial support for member countries in balance-of-payments difficulties, and the progressive use of a European monetary unit of account. For Germany, persistently concerned about importing inflation and propping up weaker European currencies, it means effective joint action against inflationary pressures as well as budgetary and fiscal coordination. For the United Kingdom, the second stage of economic and monetary union must include a common industrial base for the Community and an EC commitment to relay at least part of Britain's net contribution to the Community budget back to industrially depressed regions in Britain.

It was, then, a Summit to be judged by its long-term rather than short-term results. Whether the Community's institutions can get through the workload the Summit has imposed upon them remains to be seen. It may depend on the political will that EC enlargement can inject into the institutions and their decision-making processes. At the least, many marathon Council meetings can be expected in the last weeks of 1973.

#### Nixon on "European Union"

I have read with great interest the communiqué issued by the leaders of the nine countries of the enlarged European Community demonstrating once again their commitment to greater European unity. At this important meeting, the members of the Community have set an objective of "transforming the whole complex of their relations into a European union by the end of the present decade." The United States strongly supports that objective. It is, and has always been my own deeply held view that progress toward a unified Europe enhances world peace, security, and prosperity.

It is also of the highest importance that the United States and Europe work closely together. For this reason I particularly welcome the Community's declared intent to maintain a constructive, forthcoming dialogue with us and its commitment to a progressive liberalization of tariff and non-tariff barriers to trade on a comprehensive basis during the major multilateral negotiations to begin next year.

On behalf of the United States, I wish to reaffirm our commitment to work with the members of the European Community for reform of the international economic system in a way which will bring about a new freedom of world trade, new equity in international economic conduct, and effective solutions to the problems of the developing world.

These are the objectives with which the United States will approach forthcoming negotiations on monetary and trade reform. We will be prepared to take bold action with our European partners for a more equitable and open world economic order. The October 21 Summit declaration is evidence that our European partners are equally dedicated to the success of these efforts. In the meantime, we look to them for continued help In fostering a climate of mutual cooperation and confidence, and for a demonstration through positive action on pressing and immediate problems, that these efforts will be crowned with success.

> President Richard M. Nixon October 30, 1972

## **A Foreign Policy for the Nine?**

THE SUMMIT REAFFIRMS EC FOREIGN POLICY CONSULTATION

#### ROBERT MCGEEHAN European Studies Committee, City University of New York

The statesmen who proposed and negotiated the European Coal and Steel Community, the European Atomic Energy Community, and the European Economic Community saw a politically united Europe as the ultimate goal of their endeavors. The nine heads of government or state of the nations which will make up the enlarged Community in 1973 have reinforced that aim, coming one step closer to fulfilling the dreams of the Community's founding fathers.

"The member states of the Community ... affirm their intention to transform before the end of the present decade the whole complex of their relations into a European union," the nine nations declared in a communiqué following their October 19-20 Summit meeting in Paris. The communiqué, calling for intensified consultations on foreign policy matters, said the foreign ministers of EC nations should in the future meet four times a year rather than twice to "deal with [foreign policy] problems of current interest and, where possible, to formulate common medium and long-term positions, keeping in mind ... the international political implications for and effects of Community policies under construction." The "Nine" also agreed that the foreign ministers should produce, not later than June 30, 1973, a second report on methods of improving political cooperation, Although a common foreign policy for the Community of Nine may still seem a long way off, such statements of principle on increased cooperation and consultation in an area traditionally reserved for exclusively national decision-making can be considered progress.

#### **Political Union Has Been Tried Before**

European attempts to explore common interests in the area of foreign policy are hardly new. At the Hague Summit of December 1969, the foreign ministers of the "Six" were instructed to report on "the best way of achieving progress in the matter of political unification within the context of enlargement." This broad mandate launched the third explicit attempt to explore political areas of European cooperation.

The European Defense Community (EDC) project of the early Fifties and the Fouchet Plan for a union of states of the early Sixties stirred more talk than action. The EDC would have linked the defense establishments of the Six and created a European Army with a common military budget. After the EDC treaty had been negotiated, a plan for a European Political Community was drawn up. The EDC treaty proved to be premature, and it was rejected by the French National Assembly in 1954. Its defeat also caused the collapse of the proposed European Political Community.

The French "Plan Fouchet" for a European union suffered the same fate, though a less presumptuous project and more consistent with the political situation at the time. Named after Christian Fouchet, the French representative to a study committee established by the July 1961 Summit, the plan included a political commission to develop common policies in foreign affairs. The commission, to be located in Paris, was to remain separate from existing Community institutions, and its mandate was to be based upon the member states' unanimous approval. The Fouchet Plan discussions failed in 1962 amidst disputes involving theoretical approaches toward union and practical political rivalries. Since the 1969 Hague Summit, member states have largely suppressed doctrinal quarrels to work on pragmatic endeavors.

What has been done so far? In October 1970 the foreign ministers of the Six approved a report prepared by the national directors of political affairs under the chairmanship of Belgium's Etienne Davignon. The report called for regular consultations

to enhance mutual understanding of international issues
to help harmonize national foreign policy positions and

viewpointsto foster common political decision-making, whenever

possible and desirable. Since then, the foreign ministers have met at least twice a year and the directors of political affairs (the Davignon Committee) at least four times a year. Numerous working groups and experts drawn from the national ministries have contributed to these foreign policy discussions. The Davignon Committee also meets with the Political Committee of the European Parliament. A European Commission representative participates in foreign policy discussions involving matters covered by the Rome Treaties.

#### Many Goals Left Undefined

As in many political endeavors, semantic ambiguities sometimes cloud the issues. The "European union" toward which the Nine agreed to work at the recent Paris Summit is to materialize before 1980 but will not be defined until 1975. The dream of a Europe "capable of speaking with one voice," the Davignon Committee's ultimate objective, has not yet been tied to the reality of what will be spoken about. The Davignon Committee does not discuss "political unification," although no foreign policy matter is excluded from consideration. President Georges Pompidou's invitation to the Paris Summit said the meeting should affirm "Europe's role in the world" without defining what that role should be. The Davignon Report itself is more flexible than precise, resulting in decision-making at the lowest common denominator of shared interest.

The recent disagreement over the location of the proposed political secretariat underscores another basic problem: how diplomatic consultations on foreign policy will be linked to Community institutions. France had "offered" Paris as the site of the secretariat, but most other members of the enlarged Community want it nearer existing EC institutions. Problems of location are symptoms of bigger differences concerning the role the Community should play in influencing and harmonizing national foreign policies. A proposal for giving each national cabinet a Minister for European Affairs has also been indefinitely postponed. Agreement is lacking on what this Minister would be responsible for or what his relationship would be to other national officials or EC officials in Brussels.

#### **Separate Forums for Politics and Economics**

According to the current formula, the foreign ministers simply "change their hats" when meeting in the Davignon



The heads of state or government of the current and future EC members and EC Commission President Sicco L. Mansholt hold a press conference to discuss the Paris Summit. Seated at the table from the left are Mr. Mansholt, Italian Prime Minister Giulio Andreotti, Luxembourg Prime Minister Pierre Werner, Irish Prime Minister John Lynch, Dutch Minister-President Barend Biesheuvel, French President Georges Pompidou, German Chancellor Willy Brandt, Danish Prime Minister Anker Jorgensen, Belgian Prime Minister Gaston Eyskens, and British Prime Minister Edward Heath.

framework rather than as the EC Council of Ministers, providing some continuity in the persons involved. Nonetheless, the two forums represent the strict, and somewhat arbitrary, separation of political and economic affairs.

Discussions within the Committee have included Atlantic relations; preparations for the proposed Conference on European Security and Cooperation; Europe's role in the developing countries; relations with Eastern Europe; Middle East and Mediterranean questions; the recognition of Bangladesh; the political institutions of the enlarged Community; the preparation of the Summit; and, most recently, a common plan against terrorism to transmit to representatives of EC states at the United Nations. Possible cooperation in defense matters has so far been considered unripe for discussion, although in principle it is not excluded. Participants assume that this critical question will eventually have to be tackled.

Measured by concerted actions rather than the number of subjects discussed, the Committee's record of accomplishment is modest. Early in 1971, for example, a common position on the Middle East was reached based upon a document prepared by the Davignon Committee and approved by the foreign ministers of the Six. Harmony guickly faded, however, as Germany yielded to Israel's protests about the document's language. What had been initially greeted as the proof that Europe had spoken "with one voice" was soon downgraded to a "working paper" which would be the subject of further study. Nonetheless this frustrated attempt to reach a European policy should not be exaggerated; while embarrassing, the overly ambitious project was in itself not crucial to the Six. "We have no Sixth Fleet," one participant commented later. In 1972 the member states attempted to recognize Bangladesh jointly. They failed to act simultaneously, but foreign ministry representatives felt that coordination did not require synchronization.

Current efforts to devise a common position on Mediterranean questions, where economic and political factors are inseparable, have caused some friction between the Commission and the Davignon Committee. Extensive preparations for the Conference on European Security have not yielded a common policy, although the Davignon Committee will probably continue to shape the framework for a European position which the EC states can individually accept. Other matters, such as transatlantic relations, have stirred disagreement and remain controversial.

#### **Common Foreign Policy Unlikely for Now**

What are the prospects for the future? Although an overall European foreign policy is highly unlikely, all the participants expect political cooperation to continue. The second Davignon Report, mentioned in the October Summit's communiqué, will examine political progress so far and propose future steps toward unification. In short, the process of foreign policy consultation will remain more significant than its results. The current experiment has sustained the unanimous interest of its participants and their agreement that it should continue. Critics fault the intergovernmental Davignon formula for its timidity, its lack of clearly defined goals, artificial separation from other European institutions, incongruence with economic and monetary union, and inability to achieve the political results that Europe's urgent problems demand. Yet these faults are also its virtues, and even the lowest common denominator is better than none. Since the balance of power in the enlarged Community is necessarily in a state of flux, foreign policy cooperation remains experimental and is a debatable criterion for judging the will toward unity. Ultimately, two questions must be resolved, as the international situation evolves in the Seventies: why should Europe speak with a single voice, and if it did, who would listen?

## **A Global Policy for the Mediterranean**

GIAN PAOLO PAPA Staff Member in the Commission's Development Aid Directorate General

A proposed free trade area for industrial goods linking the European Community with the Mediterranean countries received its first hearing at the October 9-10 meeting of the Council of Ministers.

EC officials consider closer ties between the Community and the Mediterranean Basin, a region of 170 million inhabitants, a natural outgrowth of European unification, common interests, and close geographic proximity. Trade between the Community of "Nine" and the Mediterranean countries will be almost as extensive as EC-US trade after enlargement and twice as great as EC trade with Latin America. Mediterranean nations supply the Community with most of its oil. Also, four million migrant workers from the Mediterranean Basin currently contribute to the prosperity of their northern neighbors.

At the October meeting, the Council appeared favorable to replacing the diverse bilateral trade agreements currently existing between Mediterranean nations and the Community with an overall global approach to EC-Mediterranean relations. No stands were taken, however, on such specific recommendations as the industrial free trade area or agricultural trade concessions in the Commission's proposal. At its November 6-7 meeting the Council discussed the political implications of a global approach to the Mediterranean, particularly US interests in the area. No decisions were reached.

Even if a global approach were not adopted, the existing agreements (see table) with the Mediterranean nations would have to be adapted to take account of the Community's enlargement in 1973. The emergence of a new Community of Nine will alter the Mediterranean countries' traditional markets, especially for agricultural products. The United Kingdom currently imports a large percentage of Mediterranean farm goods at low or zero tariffs. When Britain enters the Community, many new tariffs will be applied and many existing tariffs will increase. Most of the Community's poorest areas border on the Mediterranean and produce the same products.

#### **Geographic and Historical Differences Cited**

The Community's position reflects these difficulties and has rather limited objectives. According to the Commission, the global approach has to take account of both geographical and historical differences. It does not include Turkey and Greece which have already reached a more advanced stage and whose agreements are aimed toward eventual economic and political integration with the Community. Relations with Portugal have in principle already been settled in the framework of negotiations with the European Free Trade Association (EFTA) non-candidates. The Community's attention should therefore be directed toward the Maghreb countries (Algeria, Morocco, and Tunisia) and the two countries most affected by the enlargement of the Community, Spain and Israel.

In its report, the Commission recommended free circulation of industrial goods between the Community and the more developed countries (Israel, Spain, Malta, Cyprus) by July 1, 1977, with exceptions for some "sensitive" products and products from the Mediterranean countries' infant industries. For the less advanced countries (the Maghreb, Egypt), tariff reductions granted to the Community would be spread over a 12-17 year period.

The Commission also asked the Council to accept the progressive liberalization of 80 per cent of the agricultural imports from the Mediterranean nations. The Community must strike a balance between the interests of Community farmers and their Mediterranean partners, granting progressive concessions which would vary according to a product's sensitivity. The Commission recommended the gradual reduction of the common external tariff on these by July 1, 1977, with exceptions for some "sensitive" prod-countries' exports to 40 per cent to 60 per cent of its current level by July 1, 1977.

#### **Financial and Technical Cooperation Included**

Financial and technical cooperation would be reserved for Mediterranean countries with a low level of development such as Malta and Egypt, with a special priority for the Maghreb which is already involved in negotiations with the Community. The Community would also seek to improve social conditions for the four million migrant workers from the Mediterranean Basin.

Unfortunately, the countries of the Mediterranean are not organized on a regional basis. Political tensions impede attempts to cooperate, and development levels differ. Especially in the southernmost Mediterranean countries, the rural masses, which account for almost two-thirds of the total population, have very low incomes and will double in population by the end of the century. This situation is already recognized as a major source of economic, social, and political imbalance.

In the near future, the Nine will be confronted with a choice which will have important implications for the economic and social development of the Mediterranean Basin.

#### EC-MEDITERRANEAN TRADE AGREEMENTS

#### **Preferential Accords**

Country	Duration	Entry Into	Renegotiation	
Greece	unlimited	11/1/62		
Turkey	unlimited	12/1/64	11/23/70*	
Tunisia	5 years	9/1/69	under negotiation	
Morocco	5 years	9/1/69	under negotiation	
Malta	5 years	4/1/71	10/1/74	
Cyprus	under negotiation			
Algeria	under negotiation			
Spain	6 yrs. min.	10/1/70	not specified	
Israel	5 years	10/1/70	4/1/74	
Egypt**	5 years	1/1/73	7/1/76	
Lebanon	under negotiation			
Portugal	negotiated in the framework of relations with			
		ndidate EFTA	countries. Enters	
Non Preferential Accords				

Lebanon	3 years	7/1/68	twice extended for
Yugoslavia	3 years	5/1/70	one-year periods not specified

\* from preparatory to transitional stage of the accord \*\* signatures pending

## **Why Norway Bolted**

#### FREDERIK BOLIN Brussels Correspondent of Aftenposten, Oslo

Norway's "No" to Common Market entry last September could turn out to be a hard learned lesson for the European Community as well as Norwegian political leaders.

More than 53 per cent of the total votes cast in the national referendum on EC membership on September 24-25 were against accession. Although not unexpected, the results came as a tremendous disappointment to most of the country's political and economic leadership. Nonetheless, those leaders shoulder some of the blame for the referendum's defeat. The pro-European parties and organizations, as well as Premier Trygve Bratteli's government itself, waited too long before starting their membership campaign. They launched their "Yes to EC" drive only after the signing of the Accession Treaty in Brussels in January 1972 and never regained ground lost to the anti-Common Market side during their nearly two-year-old campaign. Mr. Bratteli, his Labor Party, and the Norwegian Federation of Trade Unions unfortunately decided to wait until the results of the negotiations were clear before they put their heavy organizational machinery into motion.

Jens Otto Krag, at that time Danish Premier, made the situation worse for his Norwegian friends when he decided to call the Danes to the polls a week after the Norwegian vote. Support for a "Yes" to entry had always been stronger in Denmark than in Norway. If Denmark had had its referendum first, its overwhelmingly positive answer might have swayed enough Norwegian votes to tip the balance toward membership.

#### **Community Shares Blame**

The Community itself also contributed to the referendum's defeat. After opening negotiations with the candidate countries, the Council of Ministers passed a resolution and regulations on fishing territorial rights. Many Norwegians saw these Council decisions not only as a threat to vital and traditional fishing rights in their coastal territories, but also as a symbol of EC ill will toward its negotiating partner, Europe's largest fishing nation. The fishing rights question remained a decisive factor for the large (up to 93 per cent) "No" vote in many coastal and northern constituencies.

Opponents of entry argued that the Community stresses industrial and economic growth at the expense of individual happiness and environmental quality. These arguments, combined with a series of lies about what the Community does or intends to do reinforced a deep, emotional nationalism among farmers and created among the majority a fear of the unknown, doubt about the Community's purpose and structure, and finally a "No" to the Community.

#### **Business Leaders Apprehensive**

Business and industrial leaders see dark clouds over Norway's economic future as a result of the referendum. Although the new Government will negotiate a trade agreement similar to those already signed by the other noncandidate European Free Trade Association (EFTA) nations, the outcome does not look favorable. Norway's economy is bound to be hurt by the long tariff-cut period expected for paper, the probable exclusion of frozen fish



"I said, 'In our day Norwegians didn't bother to vote — they just went into Europe'." © Waite - London Daily Mirror through Ben Roth Agency, Scarsdale, NY exports, and the Community's desire to safeguard its aluminum and ferro-alloy industries.

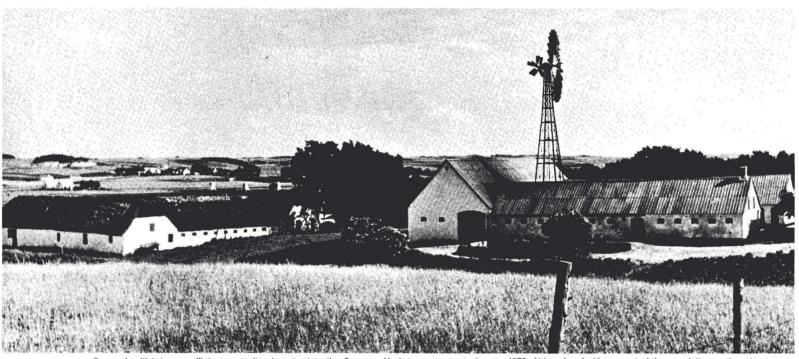
After Denmark's "Yes" to Europe, some Norwegian industry is expected to settle on Danish soil, thus hurdling the Common Market's external tariff. A giant shipping nation, Norway will lose direct influence on maritime matters in the Community's trade negotiations with third countries (such as Brazil and other flag-discriminating states). An EC shipping policy drafted without Norway means another threat to this sea-bound nation's economy. Just how deep the damage will be depends on many uncertain factors in Norwegian and international economic development in the coming years.

Norway's future outside the Community looks like rough weather sailing in waters full of unknown, unseen skerries. A new political basis for entry will not form until the majority of Norwegians realizes what the Community stands for and until their European spirit has ripened. In the meantime, Norway has lost great opportunities, and the Community has lost a nation which certainly needs it, which could have contributed to it, but which in 1972 did not understand it.

This poster in downtown Oslo shows Prime Minister Trygve Bratteli urging his fellow Norwegians to say "Yes to Europe — in cooperation and community." Mr. Bratteli resigned after the terms of entry were rejected by 54 per cent of the voters.



# "Europe" and Denmark



Denmark will bring an efficient agricultural sector into the Common Market upon entry in January 1973. Although only 11 per cent of the population work on farms, Denmark produces food for more than 15 million people or about three times its own population. PHOTO: Danish Information Office

Danish industry exports about a third of its output. The main manufactured exports are metal products, such as appliances, elecronics, and precision instruments. The canned food industry ranks second.



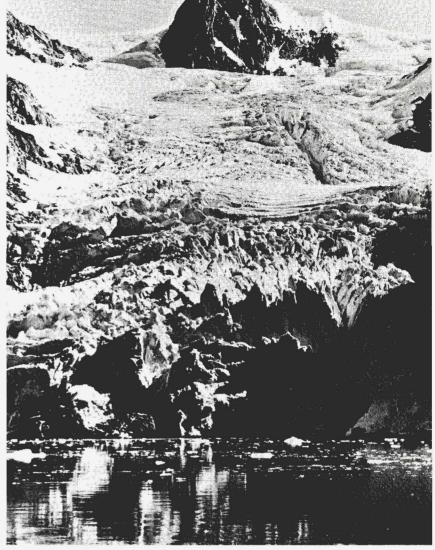
A large and competitive fishing industry grew up in Denmark, located near some of Europe's richest fishing grounds and central buying markets.



# in Destinies



Prime Minister Jens Otto Krag (right) made a surprise announcement of his resignation after one of the greatest successes in his career, an overwhelming vote for Danish entry into the Common Market. The new Prime Minister Anker Jorgensen (left) was elected to the Danish legislature in 1964 and became president of the General Workers Union in 1968. PHOTO: Polfoto, Copenhagen



In the water around Prins Christian's Sound in Greenland, a ship has ventured close to shore so that a photograph can be taken of one of nature's wonders: tons of snow and ice breaking off into the water and becoming icebergs. PHOTO: Royal Danish Ministry for Foreign Affairs, Copenhagen.

Denmark is a bridge-building nation by necessity. The country has a total area of about 16,500 square miles, divided between the Jutland peninsula (9,000 sq. mi.) and 483 islands, about 100 of which are inhabited. This bridge across the "Little Belt" has linked Jutland with Funen since 1970. PHOTO: Royal Danish Ministry for Foreign Affairs, Copenhagen



## **A Danish Profile**

Denmark is a low-lying country. The highest point is Yding Skovhoj in central Denmark, 586 ft. above sea level. The Danish landscape is gently undulating with cultivated fields, patches of woodland, small lakes, and streams. Only the Baltic island of Bornholm has granite rock formations.

#### Climate

The weather is changeable, but generally mild. Mean temperature for the coldest month of the year, February, is 26.5 degrees Fahrenheit. The average temperature for July, the warmest month, is 62.5 degrees.

#### Language and Religion: Teutonic and Lutheran

The Danish language belongs to the Germanic/Teutonic family. It bears sufficient resemblance to Norwegian and Swedish to permit the three Scandinavian peoples to understand each other without much difficulty (in eastern Denmark, viewers watch a good deal of Swedish television, while in the south they can receive German programs). All Danish schoolchildren learn English, and many learn German and French. In Greenland and the Faroes instruction is given in both Danish and Greenlandic (Eskimo) and Danish and Faroese respectively.

About 97 per cent of the Danish population belongs to the Established Church: Evangelical Lutheran. There are also many other religious congregations.

#### **History: A Former Great Power**

Denmark has been a united kingdom since 985 AD. In earlier centuries the country was one of the Great Powers, ruling northern Germany, Norway, Sweden, Iceland, and part of England.

At the time of the Renaissance, however, the Danes were forced to give up most of the territories outside the boundaries of present-day Denmark. It was not, however, until 1814 that Denmark had to cede Norway to Sweden, and in 1864 Schleswig-Holstein to Prussia. In 1916 the Danish West Indies were sold to the United States for \$25 million and renamed the Virgin Islands. North Schleswig reverted to Denmark in 1920. During World War II Denmark was occupied by German forces.

#### Monarchy: Europe's Oldest

Denmark has the oldest monarchy in Europe and proclaimed its first constitution in 1849, substituting a constitutional monarchy for the absolute rule that had existed for nearly 200 years.

A constitutional amendment in 1953 restored the right of female succession, though with male precedence. On the death of King Frederik IX in January 1972, his eldest daughter, Princess Margrethe (born in 1940), succeeded to the Danish throne.

#### **Democracy of Coalition Governments**

Legislative authority is vested in the Danish parliament, the Folketing, which is made up of 179 elected members including two each from Greenland and the Faroes. In recent generations most Danish governments have been coalitions between two or more parties, frequently dominated by the Social Democrats. The strong linguistic, historical, and cultural ties between Denmark, Norway, and Sweden have led to intimate political collaboration extending also to Iceland and Finland. This is personified in the Nordic Council, comprising ministers and parliamentarians, meeting annually to debate Scandinavian affairs and foreign policy.

Denmark is also a member of the United Nations, the North Atlantic Treaty Organization, and the Council of Europe.

#### Life Expectancy and Population

Every year 71,000 children are born in Denmark. A newborn boy can on the average, expect to live to the age of 70 years, a new born girl 74.5 years. This year the Danish population topped the five million mark. Greenland has a population of 40,000; the Faroe Islands, 37,000.

#### **Education Compulsory to Age 14**

Education is compulsory for everyone between the ages of 7 and 14 years. Fourteen per cent stay in school for a total of 12 years, gaining the right to attend a college of advanced learning. Denmark has three universities and another three in the making. There are 32,000 university students, 10,000 students at teacher-training college, 9,000 at engineering academies, 7,000 at commercial and business schools, and 5,000 at other advanced colleges such as schools of dentistry or art.

#### Marriage

The average male is 25 years old when he gets married, and his wife is 22. The typical family has two children. A total of 39,000 marriages are contracted annually — and there are 9,000 divorces.

#### Housing: Split Between Houses and Apartments

About half the population lives in high-rise apartments, the other half in detached or semi-detached houses. The typical single family house has a living area of 160 square yards and a lawn area of 1,076 square yards.

#### **Occupations: Industry and Service Oriented**

Twenty-nine per cent of the working population is engaged in industry, 16 per cent in commerce, 11 per cent in agriculture, 9 per cent in the building industry, and 8 per cent in transportation, while the remaining 27 per cent provide public and private services. The population is divided as follows:

Self-employed workers	9%
White-collar workers	15%
Skilled workers	7%
Unskilled workers	14%
Housewives	18%
Children and students	27%
Pensioners	10%

The work week is 41.75 hours. All employees are entitled to four weeks' holiday with pay. The hourly rate of pay in industry is about \$3 (1972).

The typical four-member family has an annual income of \$5,700 (1972).

## The French Left-Wing Alliance and the Common Market

#### DAVID LAWDAY Reuters Correspondent in Paris

If the French Left were to achieve the unlikely feat of unsaddling the Gaullists in the next general election. France would remain in the Community. That is virtually all that can be said with any certainty about the impact on Europe of a Communist-Socialist government in France. The guestion is raising lively interest in France, with the election due by next spring.

Earlier this year the powerful French Communist Party was saying "no" to the Community's enlargement, thereby contributing to President Georges Pompidou's discomfiture in the French referendum on Europe. Now the Communists are saying "yes." It is a cautious but definite change of ground.

The factor that brought about the shift in the space of two months was the ambitious pact of June 27 between the two main opposition parties in France, the Socialists and the Communists. The alliance is the most serious attempt in almost 40 years to install a Socialist-Communist regime in France.

No one knows which of the two new partners got the better of the tough bargaining from which their common government platform finally emerged. But Socialist Party Secretary-General François Mitterrand appears to have won the edge on the European question, even if he was forced to dilute his party's "supranationa!" stance.

The Communists had regularly denounced the Community as "the Europe of big business." Nonetheless, after delivering scathing attacks on the Community during the referendum campaign in April this year, Communist Party leader Georges Marchais in June put his signature to a platform pledging his followers to "participate in the construction of the Community." The platform neither defines how a Socialist-Communist government would seek to influence the Community's development nor ensures agreement on fundamental European policy issues.

#### **Communists Stress French Independence**

Now that they have discarded hostility toward the Community for the chance of getting into power, the Communists are echoing the late General Charles de Gaulle's insistence on maintaining total French independence. The Socialists are traditional supporters of a united Europe and the supranational idea carries strong appeal for them. Thus the platform commits the two parties, somewhat vaguely, "to preserve within the Community the government of the Left's freedom of action for the realization of its political, economic, and social programs."

Nonetheless, the new allies are explicit on some points, Once in power, they would demand a "reorientation" of the common agricultural policy to reorganize markets, a revision of the Common Market Treaty to give labor unions a greater say on the Community's Economic and Social Committee, and increased cooperation with the East European trading bloc, Comecon,

Curiously, the platform ignores one of the stickiest issues in the Community's current development, economic and monetary union. In past policy statements, both parties have been cool or hostile to the project. Communist strategy is particularly firm: "The franc must not be integrated

into a multinational currency set up to serve movements of monopoly capital and speculation." The new platform's studied silence on monetary union, however, has prompted suggestions that Mr. Mitterrand and Mr. Marchais could not agree to condemn the entire plan out of hand.



François Mitterand PHOTO: French Embassy Press and Information Division, New York



© L'Humanite, Paris

#### French Economy Would Change

A key feature of the Communist-Socialist pact is nationalization. Their sweeping government-ownership plan would change the face of the French economy and inevitably have repercussions in Europe.

To achieve their goal of breaking the grip of "big business," the left-wing partners would nationalize the entire banking and finance sector and cut deeply into private industry. Such industrial giants as Dassault, Rhône-Poulenc, Péchiney-Ugine-Kuhlmann, Saint-Gobain-Pont-à-Mousson, Wendel-Sidelor, and the Compagnie Générale d'Electricité would pass wholly or partly into state hands.

"It would mean an end to the predominance of France's ruling class ... a fatal blow to French capitalism," the weekly Nouvel Observateur commented. As these companies are deeply immersed in European trade, the implications for the rest of Europe would appear to be considerable. The impact outside France, favorable or unfavorable, would ultimately depend on how well the newly nationalized groups were run, the magazine pointed out.

President Pompidou and his new, staunchly Gaullist Prime Minister, Pierre Messmer, hope that the opposition pact will scare potential defectors back into Gaullist ranks when the election comes. The Socialists and Communists remain delighted that they are offering the electorate so definite a choice. They would like to bring the Center political groups into their camp.

In the current National Assembly, the Socialists, with 43 seats, and the Communists, with 34, together fall far short of the Gaullist Union Démocratique Républicaine (UDR) Party and its allies. But many experts believe that a growing public desire for change will cut the pro-government majority from its present 280 seats to 100 or less.

Ironically, if the left-wing alliance were to confound all forecasts and win power, most Frenchmen would not expect any heady upheavals. A recent poll published by Le Figaro shows that 51 per cent of the population believes a government of the Left would not change their personal lot.

## **Ten Commandments for "the Nine"**

JOHN PINDER Director of Political and Economic Planning (PEP)

This article was adapted, with permission, from an article appearing in the first issue, published in May 1972, of New Europe, Europe House Publishing, London.

Jehovah would get nowhere if he tried to lay down 10 commandments for the new Europe. He would have to call them 10 directives or they would never get on the agenda. Secondly, anyone who tried to issue 10 directives without the prior approval of the Council of Ministers would provoke the resignations of French Defense Minister Michel Debré and German Minister for Agriculture Joseph Ertl, 25 all-night sittings in the House of Commons, and the fall of the Italian Government (if any). And with all that going on, how could any political correspondent find the space to report the content of the 10 directives? Clearly any Jehovah with a sense of what is practicable in the new Europe would call them "10 recommendations" and issue them on one of those rare days when there is neither a meeting of the agriculture or finance ministers nor a government crisis in any one of the nine countries. What should the messages be? High on the list would be a recommendation for the Eurocrats.



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#### DO NOT CONFUSE EUROPE WITH UNIFORMITY.

Europe is not uniform and attempts to make it so will be rightly resented and resisted.

The second commandment is directed toward the British and the French.

#### DO NOT REGARD EUROPE AS AN EXTENSION OF YOUR OWN EGO.

You both have habits of mind that are derived from periods of world supremacy and of lording it over subservient empires. These mental attitudes are not your most endearing characteristics; nor will they bring you any lasting joy or profit in your relations with partners who are also proud and stubborn. If Europe's political system is to function, you must work your way into the minds of your neighbors and understand their needs and their reflexes. To do this, you do have to leave adolescent nationalism behind you and live, like mature people, on terms of give as well as take with your neighbors.

The third commandment is for everybody in the enlarged Community.



#### DO NOT LET YOURSELF BE BULLIED BY THE SUPERPOWERS.

Whether it is Soviet Party Leader Leonid Brezhnev saying that you must shelve your ideas for further integration if you want to have détente, or former US Secretary of the Treasury John Connally demanding unilateral concessions and threatening that Europe would come off worst in a trade war, you must suppress any inclination to defer. You must be prepared for one or two rough rides before the superpowers get used to the idea that, provided you maintain solidarity as a Community, you are too big to be pushed around.

#### **V** DO NOT INDULGE ANY TENDENCIES TO EUROPEAN CHAUVINISM.

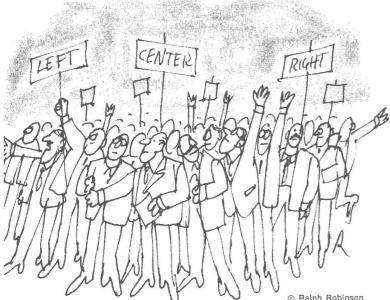
Do not look to the nationalism of the nineteenth century as a model for a new supernationalism of the year 2000. That would completely miss the point of what we are trying to do, which is to develop a European citizenship that is compatible with world citizenship. Indeed, being a good European citizen can be seen as one aspect of being a good world citizen.

The aim of political leadership must be to show the peoples of the Community how to see themselves as both united, hence strong, and politically civilized, hence liberal and pacific. They have to see Europe alongside America, Russia, China, Japan, and India, as the great pillars with which a world community can be built.

"The aim of political leadership must be to show the peoples of the Community. . . ." But how can this be done in the dense thicket of bureaucracy and diplomacy that is at present the reality of the Community's institutions? The nicely calculated less or more of the Commission's drafts and the all-night wheeling and dealing in the Council of Ministers may be necessary elements in the government of Europe, but they are far from sufficient. We need somebody who is identifiable and responsible for the political decisions of the Community and who can be allowed to stand or caused to fall as a result. We need a great forum, such as, biting back all our frustrations we have to admit the British House of Commons *is*, in which the issues can be presented in a way that brings them home to the public.

#### BUREAUCRACY AND DIPLOMACY ARE NOT ENOUGH, YOU MUST HAVE AN EFFECTIVE PARLIAMENT AND GOVERNMENT ALSO.

This is the fifth recommendation without which all the others will, probably sooner, possibly later, fall to the ground.



#### GET THE POLITICAL PARTIES INTO THE EUROPEAN PARLIAMENT AND GET THEM TO EAT THE RED MEAT OF POLITICS THERE.

The Parliament will be useless unless it is the focus of the conflicts between Europe's real political forces; and these forces are the political parties. What they need now is to unite at the European level in a way that will give them the strength to demand and use real political power over the Community's executive appointments and legislative and budgetary decisions.

#### CONCENTRATE ON MODERN SOCIAL OBJECTIVES, NOT ANCIENT ECONOMIC ONES.

The Community will have to shift its focus from the arid aim of creating a perfect, undistorted market and toward social aims that are really important to the people of the member countries. All this immense effort of ironing out the distortions is the work of lawyers who are hung up on the conclusions of classical economics. The Community will become an empty shell unless it puts the best part of its mind to real social objectives such as the abolition of poverty and the creation of prosperity in every one of its regions. Be adventurous enough to try out the ideas of regional currencies that can be devalued if that would stop regional unemployment, instead of thinking only about locking the national exchange rates together in a way that would make regional unemployment worse. Turn the debate on fiscal harmonization away from the narrow objective of applying exactly the same levels of indirect tax throughout the whole Community. Consider instead how reduced rates of value added tax might be employed to help the regions which are in difficulties.

The Community should likewise commit itself to easing the path for every worker whose job is threatened because markets or technology change.

## BURN THE BERLAIMONT.

This is the eighth, and not the least important, recommendation. It is hard to believe that great and generous ideas will ever be conceived and realized in that monstrous, deadening heap.

But we must be constructive. The European institutions need to be provided with a home, and the occasion deserves the greatest architectural competition of all time.

#### CREATE A TRULY BEAUTIFUL BUILDING TO HOUSE THE FORE-RUNNER OF EUROPE'S GOVERNMENT.

Make sure that the best architects compete to build it and make the most of their genius.

## RESPECT YOUR NEIGHBORS AS YOURSELVES.

Those British who cannot bring themselves to follow this tenth recommendation should at least stop talking about the brotherhood of man and cease to brag about Britain's great civic and political traditions.



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## "Our Man in Brussels"

#### US STATES MAINTAIN TRADE OFFICES IN BELGIAN CAPITAL

DAVID FOUQUET a former American journalist now working in Brussels for the Commission of the European Communities

A new breed of American "embassy" is gaining a foothold in Brussels to promote the economic interests of individual US states.

Illinois, New York, and Virginia, the pioneer states in opening trade offices in what has become the crossroads of European commerce, may soon face competition from other states. Michigan and Ohio are expected to open up similar outposts in Brussels, and offices from Georgia, Pennsylvania, Alabama, and Texas are said to be in the planning stages.

These state offices seek export opportunities for home state manufacturers, promote tourist traffic or joint ventures, and try to entice European investment to their home state. It is difficult to measure how much these outposts yield in business or investment, but the New York office boasts a 20 per cent increase in business generated every 12 months and claimed \$45 million last year. The Illinois state office persuaded a large Belgian copper refining company to settle in the state two years ago. According to the state office's director, this company pays Illinois enough in taxes to staff and operate the Brussels office. "That's just one factory; the rest is gravy," Illinois director Arthur Compton said.

#### "Brussels Is the Commercial Center"

"We thought at first of opening our office in London," said Mr. Compton, who spent 25 years in the US Foreign Service. "But the right choice is here. London will be the financial capital of the European Community; Brussels is the commercial center."

Like scores of American businesses, these offices have found that Brussels is the best place to keep an eye on the European Community's development and prospect for opportunities in Western and Eastern Europe, the Middle East, and Africa.

The state offices attempt to bolster the trend of rising American exports stemming from Western Europe's economic well-being. In 1958 the United States exported \$2.8 billion worth of goods to Community countries and imported \$1.7 billion from them. By 1971 American exports had grown to \$9 billion and imports had risen to \$7.7 billion. American investment in the Community also increased in book value from \$1.9 billion in 1958 to \$11.7 billion in 1970. The Community thus accounts for 15 per cent of all American investment abroad. The repatriated profits from American subsidiaries abroad have recently become a major source of revenue in the US balance of payments. Remitted income on total US direct investments abroad rose from \$2.95 billion in 1960 to \$9.3 billion in 1971, \$1.2 billion of it repatriated from Community countries.

In the past the state offices' primary task has been to aid home-based firms to market their wares in the burgeoning European Community. Even such a single-minded goal as trade promotion can bring complications. The Illinois office in Brussels, for instance, has handled such chores as arranging a tour of the Chicago Symphony Orchestra, aiding in raising Germany's quota on iceberg lettuce, and assisting Belgium's Sabena Airlines' attempt to get a route to Chicago. "We act in effect as a business consultant office, with our clients being Illinois firms," Mr. Compton said.

#### **Illinois Promotes Farm Exports**

The Illinois office, opened in 1968, is staffed by four officials and four secretaries. They ride herd on a sizable portion of the state's more than \$3 billion a year export output. Illinois, whose leading cash crop to the Community is soybeans, is the largest US state farm exporter. An agricultural expert will soon join the Illinois office staff to promote farm exports.

All the offices pursue increased trade through seminars, participation in trade fairs, multilanguage publications, and word of mouth. John D. Brennan, deputy European manager in the Illinois office, says the techniques used by his office are becoming more sophisticated to appeal to experienced foreign businessmen. "They were doing business when we were still in breechclouts," Mr. Brennan said.

In 1963 New York became the first state to set up shop in Brussels. The New York office today relays about 25 inquiries a day to the home state where they are fed into a computer to locate suitable outlets or manufacturers. R. C. Dickerson, (lar left) director of the Department of Business and Economic Development of the State of Illinois and Arthur A. Compton, (second from right) explain materials to visitors at the Illinois exhibit at the Proaqua Provita environmental control equipment fair in Basel, Switzerland, June 1971. PHOTO: Illinois State Trade Office, Brussels





New York state European Director J. Stephen Stanton (left) and Howard D. MacPherson, director, New York state's Division of International Commerce, discuss the operations of the state's computer system which plays a key role in providing more than 25,000 trade opportunities each year to New York state manufacturers. PHOTO: New York State Department of Commerce

The computer network lists 12,000 state manufacturers interested in exporting. With this automated aid, the New York office develops about 30,000 trade opportunities annually. Data about specific possibilities can reach a New York firm two weeks after an initial contact in Brussels. No contact is too small to turn away. Once, a small bakery in Valence, France, wanted a foothold in New York. Today it supplies 80 per cent of New York City's demand for continental bread.

The New York and Illinois offices both conduct "minimissions," spending two or three days in a European city to make contacts with businessmen for specific industries or chambers of commerce in their states. The Illinois office promotes "Illinois Weeks" in various cities, and the New York bureau leans on direct mail and other forms of advertising.

#### Virginia Stresses "Reverse Investment"

The small Virginia office stays in close contact with its state's exporters and uses the trade promotion departments of European banks to track down business leads. It also places more emphasis than other offices on seeking "reverse investment" by European firms in their state. Already three nations have substantial investments in Virginia. The United Kingdom has the most, followed by Germany and the Netherlands. Brown, Boveri and Co., a Swiss electrical equipment manufacturer, has more than \$10 million invested in new service facilities in Richmond and is considering expanding into the US generator manufacturing market. The firm is now competing head-on with such US firms as General Electric and Westinghouse and has a healthy backlog of US orders.

Another new breed of American representative is also

trying to attract European investment to the United States. Charles A. Fagan II, a former Deputy Assistant Secretary of Commerce, works out of the American Embassy in Brussels as a federal industrial development officer. Mr. Fagan, who becomes the second such officer in Europe in addition to a Paris-based official, is responsible for the Benelux countries, Scandinavia, and the United Kingdom. He, among other observers, has noticed a significant increase in European interest in expanding across the Atlantic.

In the past, foreign investment in the United States has been limited. It was recently reported by the US Department of Commerce at \$13.2 billion at the end of 1970, up from \$11.8 billion in 1969 and \$10.8 billion in 1968. About \$3.5 billion of the foreign investment in the United States came from Community countries, up from \$1.4 billion in 1960.

The smaller European firms formerly concentrated on their own markets and hesitated to challenge the American giants on the US market where Europeans faced restrictions and unfamiliar legal and economic patterns. More recently, however, the dollar devaluation and rising European wage rates have made investment in the United States more practical. A crack at the huge American market and proximity to prized US technology and management also lure the Europeans. At the moment many European companies are seeking joint ventures or partownership of US businesses as a first step into the American market.

As of this year, some 800 industrial companies in the United States were foreign controlled with 12 among the largest 500 US firms. Their industrial output was between 5 per cent and 10 per cent of total US output and their net value increases by about \$500 million a year.

## **Where Parliaments Differ**

A COMPARISON BETWEEN THE EUROPEAN PARLIAMENT AND THE US CONGRESS

Airline brochures advertise travel abroad as a widening of horizons, an opportunity to compare lifestyles and acquire new tastes. For European Parliament (EP) members, a visit to the United States was just that.

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EP legislators have always urged increased power for the Parliament, but a May visit to the US Congress underscored for 12 EP members the great advances they must make to achieve the power and prestige of their US counterparts. Pierre-Bernard Cousté, a French Democratic Union member of the European Parliament, returned from the visit wistfully commenting on the vast financial and manpower resources at the disposal of US Senators and Representatives.

Unlike the US Congress, the European Parliament has in the past acted principally as a consultative assembly. The Parliament has the power to dismiss the Commission by a two-thirds majority vote, but such a vote of censure has never been taken. Although the Council of Ministers generally makes decisions after soliciting parliamentary advice, the Parliament has no veto power over Community decisions. The Parliament exercises only limited control on Community budgetary matters.

#### **Election "By the People" Still Pending**

Member states' legislatures currently appoint the European Parliament's 142 delegates. The situation is similar to that in the US Senate before 1913, when senators were chosen by state legislatures. The seventeenth amendment to the US Constitution changed the electoral system, specifying that the two senators from each state were to be directly elected by the people. Provided for by all three Community treaties, direct election of the European Parliament is gaining momentum. A recent report by Georges Vedel, recommended direct election as soon as possible along with EP power to ratify Council decisions by 1978. (See European Community No. 157, June/July, page 8.)

EP members, aided only by small party staffs, do not even have individual offices or a single permanent meeting place. Instead, they attend monthly sessions of the Parliament either in Luxembourg or Strasbourg, France, and committee meetings elsewhere in Europe. No single permanent meeting site has ever been fixed. Contrary to some members who consider their nomadic existence an unnecessary inconvenience, Cornelis Berkhouwer, a Dutch Liberal EP member, considers it a fortuitous opportunity to hold a few sessions a year in various European cities to bring Community issues and institutions closer to the people.

#### **EP Members Debate in Four Languages**

Other more glaring differences between the European Parliament and the US Congress strike the visitor as soon as he enters the European chamber or galleries. Floor debates are conducted in several languages with simultaneous translations furnished via earphones to the members, staff, press, and visitors. EP members, who sit according to party affiliation rather than nationality, do business in the four Community languages, a medley which will grow even more complicated with the Community's enlargement in 1973. A few members, like Belgian Christian Democrat member Maurice DeWulf, can debate in more than one language, but most stick to their native tongue. In paperwork, the European Parliament may outdo the US Congress. A European gets an early mimeographed transcript of the debates within a couple of hours instead of the following day.

There is no European counterpart for the House of Representatives' colorful doorkeeper, Fishbait Miller, but there are numerous picturesque substitutes. A staff of ushers detached from the national parliaments, most elaborately bemedalled and wearing formal cutaways, act as doormen and pages, bustling about with notes and glasses of icewater for each speaker.

EP members do share one advantage which US Congressmen do not have. At each parliamentary session, Commission and Council of Ministers members must answer formal questions from EP members. Although Council and Commission members can be just as artful at dodging a direct answer as their counterparts across the Atlantic, the parliamentary question is a powerful weapon forcing decision-makers to put their views on the record.

One EP member, Hendrikus Vredeling, Dutch Socialist, has developed the parliamentary question into an art form. Constantly peppering the Commission and the Council with questions on a variety of subjects, he seems to be the Senate's William Proxmire (D-Wis.) and the House's H. R. Gross (R-Iowa) rolled into one.

#### Lack of Influence Deplored

Despite differences, a considerable number of similarities do exist between the European and American bodies. Just as in the US Congress, EP members' attendance records are far from perfect. They gripe about lack of influence and squabble over committee jurisdiction. They also fight tooth and nail over technical amendments and sometimes find themselves with so many amendments backed up that elaborate explanations of votes just taken are necessary.

Lobbyists and demonstrators hover around the European sessions as they do in the US Congress. Wellfinanced interest groups entertain parliamentarians and push for beneficial votes. At the July Parliament session in the French Alsatian city of Strasbourg, young demonstrators picketed the proceedings urging more powers for the Parliament. The European Feminine Action Committee also met in Strasbourg at the same time to urge fair treatment for women employees of the Community institutions.

American and European parliamentarians, since the beginning of the year, have been observing each other firsthand to compare notes and perhaps benefit from their encounters. Members of the US House of Representatives visited Europe in January and a group of Europeans repaid the visit in May. Both sides found it so rewarding that they decided to continue a dialogue, perhaps leading to a new foreign policy role for the European Parliament and another platform for Atlantic understanding.

## **Recent Books**

European Community periodically lists books dealing with Community and Atlantic topics. Prices are also given, whenever known. This presentation does not indicate approval or recommendation of these publications which can be purchased or ordered from most booksellers.

#### Oxford Economic Atlas of the World.

Oxford University Press, London, 1972. 239 pages. \$25.00.

A comprehensive world economic atlas, with a statistical supplement.

The volume's 89 pages of color maps fall into several major groups: environment, crops, livestock, forestry and fishing, fibers and textiles, energy, minerals and metals, transport industries, manufacturing industries, demography, disease, society and politics, and surface and air communications. An additional 122 pages of countryby-country data provides detailed profiles of every country in the world.

Measuring 10 inches x 15 inches, the maps are based for the most part on economic data from the 1963-65 period.

#### **Transnational Relations and World Politics.**

Edited by Robert O. Keohane and Joseph S. Nye, Jr., Harvard University Press, Cambridge, Massachusetts, 1972. 428 pages with bibliography and index. \$15.00.

A collection of essays treating the facets of international politics not dominated by state governments.

In the words of the editors, the collection covers those "contacts, coalitions, and interactions across state boundaries that are not controlled by the central foreign policy organs of governments" and "the reciprocal effects between transnational relations and the interstate system as centrally important to the understanding of contemporary world politics."

The collection emphasizes the number and significance of major non-governmental international actors: multinational business enterprises, the Ford Foundation, the Roman Catholic Church, revolutionary organizations, international labor, and the scientific community.

**Multinational Banking.** By Stuart W. Robinson, Jr., A. W. Sijthoff, Leiden, 1972. 316 pages with appendix, bibliography, and index.

A study of certain legal and financial

aspects of the postwar operations of US branch banks in Western Europe.

The author studies the activities of major US commercial branch banks in France, Great Britain, and Switzerland. Using a juridical and financial approach, he examines the circumstances enabling US bankers in these three countries to become so skillful in transferring funds across national frontiers. Particular emphasis is given to Eurocurrency operations and to methods for lending and borrowing foreign currencies. The author examines written and unwritten laws governing such fund transfers and the effects of European and US legislation on multinational banking. Special attention is given to foreign exchange regulations and credit control measures. In probing the US legal context, Mr. Robinson underscores the importance of Federal Reserve Regulations M and Q, the US balance-of-payments guidelines, and the Interest Equalization Tax.

Fears and Expectations. Edited by Nils Orvik. Universitetsforlaget, Oslo, 1972. 371 pages with appendices and bibliography. \$9.50.

An analysis of Norwegian attitudes toward European integration.

The essays in this collection examine the views of the Norwegian elite toward a united Europe. They explore such themes as the psychological impact of Europeanization upon the Norwegian viewpoint, Norwegian attitudes toward national sovereignty, expectations of major opinionmakers toward the European Free Trade Association (EFTA), reactions of Norwegian political parties to the prospect of EC entry, and the major EC debates held in Norway in 1967 and 1971. All these topics become particularly timely in the wake of the referendum in which Norway chose to remain outside the Community.

#### Britain, the EEC and the Third World.

By Lord Campbell *et al.* Praeger Publishers, New York, 1972. 95 pages. \$7.50.

The four principal papers presented at an international conference held on April 26-27, 1971, by the Overseas Development Institute and the Society for International Development (United Kingdom Chapter) to investigate the implications for the underdeveloped world of Britain's entry into the European Community.

A major conference finding was that the European Development Fund (EDF) would become the channel for disbursing UK aid to Africa, thus reducing Britain's bilateral commitment to that area. The United Kingdom, however, would be able to maintain its bilateral involvement with India and Pakistan. The conference also discussed the impact of the common agricultural policy upon Commonwealth countries, especially their beet and cane sugar production. Some participants argued that Britain's adoption of the common external tariff (CET) would hinder Indian and Pakistani textile exports.

Effective Tariff Protection. Edited by Herbert G. Grubel and Harry G. Johnson. GATT, and Geneva Graduate Institute of International Studies, Geneva, 1971. 305 pages. \$7.50.

A collection of papers on tariff protection presented at the December 1970 Geneva conference organized by the General Agreement on Tariffs and Trade (GATT) and the Graduate Institute of International Studies.

Seventeen international specialists explore this new field of international economics with a view to providing new tools for trade policy formulation. Because all the participants have contributed to the elucidation of effective tariff protection theory. the volume constitutes a unique summary of current knowledge at one of the frontiers of economic studies. Conferees are more concerned with actual than nominal protection. They attempt to assess the relation of differentials in import duty to price levels accumulated at successive stages of production. The presentations embrace the theoretical aspects of mathematical thought and empirical issues.

#### Non-Tariff Trade Barriers as a Problem in International Development. By Caroline Pestieau and Jacques Henry. The Canadian Economic Policy Committee Private Planning Association of Canada, Montreal, Quebec, 1972. 216 pages with appendices.

In the first of the two studies in the volume, Caroline Pestieau deals with "Non-Tariff Barriers and the Need for Manufactured-Goods Exports from the Developing Countries." She finds that NTB's often fall on those developing nations' products providing the greatest potential as exports, thus handicapping "Third World" countries which "seek to evolve away from concentration on the simplest, least sophisticated exports towards foreign sales of goods embodying higher value added and enjoying a more buoyant foreign demand."

The second study, by Jacques Henry, treats "Market Disruption — the Developed Countries' Case" and is based on Canada's experience in the Sixties. Special scrutiny is given to Voluntary Export Restraints (VER's) which the author views as virtually counterproductive. "... VER's at best will do little more than freeze the domestic market in a state of disruption and, at worst, will create more short-term disruption than they were intended to prevent."

## Publications Available

Publications listed may be obtained from the European Community Information Service, Suite 707, 2100 M Street, NW, Washington, DC 20037. Persons in the New York area can order copies from the New York branch, 277 Park Avenue, New York City 10017.

**COMMUNIQUE.** Background Information No. 24, European Community Information Service, Washington, DC, October 25, 1972, 12 pages. ...... free

Full text of the communiqué released in Paris after the Community members' and candidates' Summit meeting on October 19-20.

DIXIEME ET ONZIEME RAPPORTS AN-NUELS SUR LA MISE EN OEUVRE DES REGLEMENTS CONCERNANT LA SECURITE SOCIALE DES TRAVAILLEURS MIGRANTS. Commission of the European Communities, Brussels, 1971, 167

pages. ......\$2.40 Biennial report on the application of social

security regulations on migrant workers. This report covers the period from January 1, 1968, to December 31, 1969. Also includes an annex covering the principal events from January 1, 1970, to July 31, 1971, on this subject.

#### ECONOMIC FACTS IN FIGURES 1955-1970.

Statistical Office of the European Communities, Luxembourg, 1972, 64 pages. .... free Selection of statistics on the main aspects of the evolution of the economy of the Community from 1955 to 1970 and comparative economic data on the Community, the United Kingdom, the United States, and Japan.

#### UNIVERSITY STUDIES ON EUROPEAN INTEGRATION: RESEARCH, NO. 7, 1972.

European Community Institute for University Studies, Brussels, 1972, 335 pages. .... free Seventh edition covering the academic year 1970-71. Comprehensive list by subject of published reports and research in progress. Includes important colloquia held on a "European" subject. Also contains an index of all the institutions and authors mentioned.

#### LA CONJONCTURE ENERGETIQUE DANS LA COMMUNAUTE: SITUATION 1971,

PERSPECTIVES 1972. Commission of the European Communities, Brussels, 1971, 8 pages. \$1.00 Annual report on the Community's energy situation. Includes an annex on the candidate countries, the United Kingdom, Ireland, and Denmark and on Norway. Covers petroleum, coal, gas, electricity, and nuclear energy. Available also in German.

#### FOREIGN TRADE: ANALYTICAL TABLES-

**CST:** January-December 1971, Statistical Office of the European Communities, Luxembourg, 1972.

summary of Community imports and exports by areas in four-digit commodity groups

• imports and exports by commodity (fivedigit groups) broken down by country of origin and destination

 imports and exports by country of origin and destination broken down by commodity (three-digit groups)

#### **Teaching Aids**

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THE OIL INDUSTRY IN THE EUROPEAN COMMUNITY AND THE UNITED KINGDOM. European Community Information Service, London, 1972, 5 pages. ..... free

Discusses demand and supply of oil. Includes a map of the main sources and distribution of oil and gas.

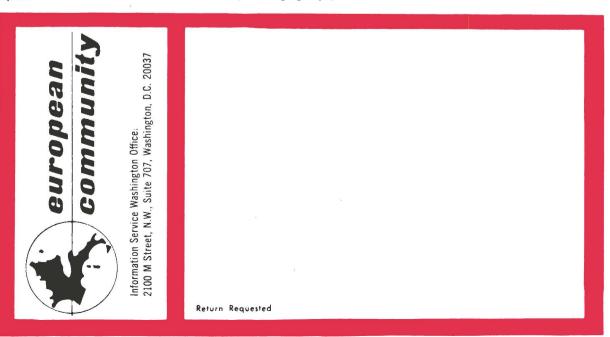
SOCIAL SECURITY IN THE SIX. European Community Information Service, London, 1972, 4 pages. ..... free

#### WOMEN AT WORK IN THE COMMON

MARKET. European Community Information Service, London, 1972, 5 pages. ...... free Offers a profile of working women in the Community. Also discusses Article 119 of the Common Market Treaty and member state legislation.

#### COMMERCIAL SHIPBUILDING IN WEST-

**ERN EUROPE.** European Community Information Service, London, 1972, 5 pages..free Summarizes the structure of shipbuilding and government action in the industry. Includes a map of the major West European shipyards.



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