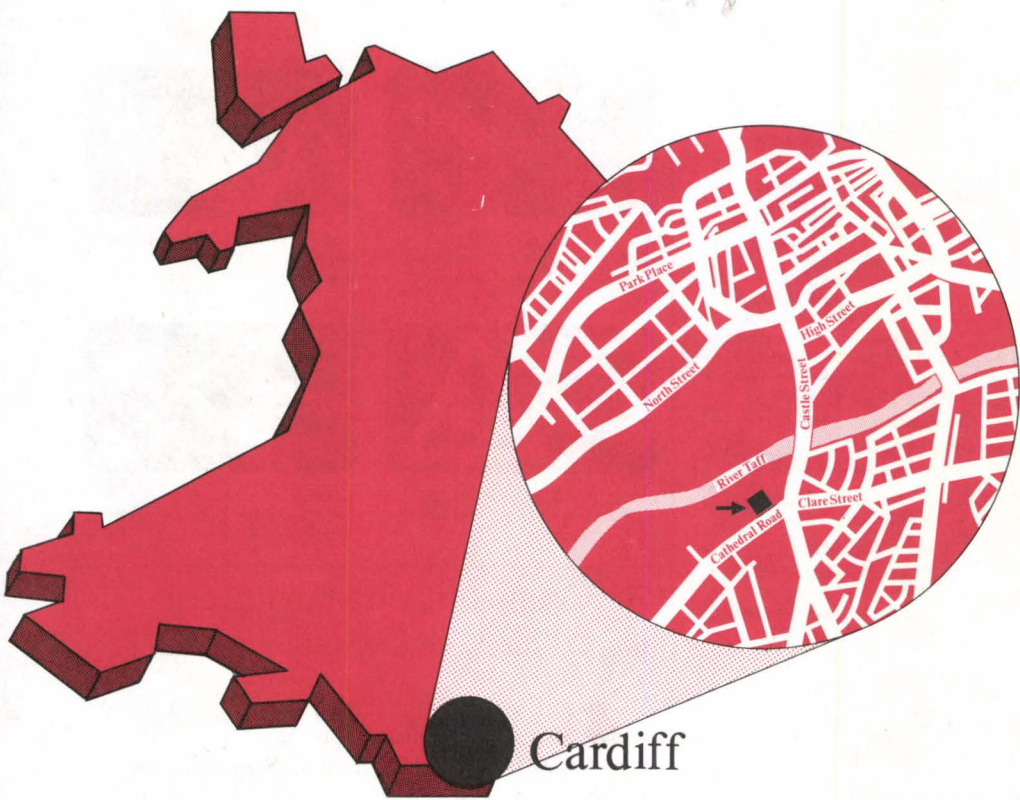


European Community

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Europe in Wales

European Community Contents



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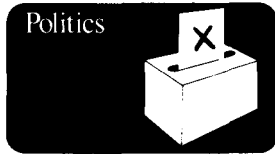
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March 15+16 Agriculture Ministers Council (Proposed)

March 15 Finance Ministers Council

March 25 Energy Ministers Council

March 8-12 European Parliament Session in Strasbourg

March 12-13 'Women in the European Community' - Colloquium

April 1+2 European Council (summit) in Luxembourg

April 5+6 Foreign Affairs Ministers Council

April 5+6 Agriculture Ministers Council (Proposed)

April 12 Development Ministers Council

April 26 Finance Ministers Council (Proposed)



Tasks for 1976

Ortoli stresses foreign policy, EMU, and Tindemans debate

Presenting the Ninth General Report to the European Parliament on February 10, 1976, Commission President François-Xavier Ortoli noted three important achievements in 1975: the British referendum, greater efficiency and democracy in the Community, and progress in common policies, especially the Lomé Convention, external relations generally, new moves on energy, and the beginning of the Regional Fund. On the debit side, the biggest lack was of any decisive progress towards economic and monetary union. This, said M. Ortoli, 'is not only essential to European integration: it is also, quite simply, the only remedy for the ills that beset us individually.'

For 1976, he singled out 'three fundamental imperatives'.

'The first of these, and the most immediate, is to present a united front on the major external problems of the day.

'The second is that real progress must at last be made towards economic and monetary union and that the common policies which are the living proof of European integration must be strengthened.

'The third is that we must play a full part in the institutional debate which began with our separate reports on European Union and will continue now that Mr Tindemans has published his conclusions.'

The Paris 'North-South' Conference on International Economic Cooperation, M. Ortoli declared, 'will quite certainly be one of the most ambitious attempts since Havana and Bretton Woods to reshape international economic relations on lines that will make for a just and more equitable economic order.' It must be dealt with flexibly and comprehensively, because there was a degree of overlap between the problems of energy, raw materials, development, and finance; and the Community must continue to speak with a single voice.

United by geography, history, and its deficiency in energy and raw materials, Europe was increasingly aware of its own identity. 'To the world outside', M. Ortoli said, 'the Community is a real entity, a new kind of international being. Within the Community, too, the idea is making headway, though the debate will not be really rounded out until we can talk openly about defence.' What Europe still lacked were the resources that would secure its independence. In this context, a common policy on energy was vital.

On Greece's application for Community membership, M. Ortoli recalled the Council's favourable decision of the previous day (see page 5).

EMU

Despite the differences between the economic situations of the member States, the Community had already achieved a high degree of integration. It could and must take further steps to bring structures into line; and, on many points, major steps forward were possible in the economic, monetary, and social fields. 'The major task for us all in 1976', said M. Ortolì, 'will be to enhance the economic recovery and to make lasting inroads into unemployment.'

'In the monetary field as well it is important that we in the Community close ranks at a time when a new international consensus is emerging.

'This does not mean — quite the contrary, in fact — that the countries participating in the "snake" should give up their present commitments. But as an initial step-towards the harmonisation of exchange rate policies and to prepare for the Community's future in this field, the whole system should, as Mr Tindemans has suggested — and as we ourselves regularly advocate within the Council — be incorporated in a Community procedure in which representatives from all the member States would participate — both Ministers of Finance and Governors of the Central Banks.'

Particular attention, M. Ortolì went on, should be paid to the problems of money creation. 'The fact that the international mechanisms for creating money are not functioning smoothly, and the need to finance constantly growing budget deficits, are two of the principal factors behind the present disorder. With the monetary policies of the member States lacking in coherence, the Eurocurrency systems were allowed to go on producing surplus

liquidity unchecked.' To achieve and maintain internal and external monetary stability, a single body at Community level was needed to assess decisions on credit, liquidity policy, interest rates, and exchange rates. 'This could be done by the European Monetary Cooperation Fund', said M. Ortolì, 'if it was given wider powers and greater resources and provided with an appropriate administrative structure.' The Commission was considering whether part of the gold to be returned to the member States by the IMF might form part of the reserve assets and European currencies to be deposited with the European Monetary Cooperation Fund, which, in turn, could provide short-term and very short-term financing.

The Tindemans debate

Welcoming the Tindemans Report, M. Ortolì backed its call for the 'loose coordination' of foreign policy to be replaced by common policies in new fields, within a single institutional framework. 'The Commission', he said, 'warmly supports the proposal gradually to transfer to the Community a substantial proportion of national funds earmarked for cooperation and development aid, to be used for major development projects, food aid, or financial assistance.'

On 'two-speed' Europe, M. Ortolì declared: 'Variations in policy must be exceptional and not one of the normal features of Community development. Should they be necessary, they must be limited in time, kept within bounds by Community discipline, and backed by measures of solidarity to help us move closer together.'



The month in Europe

January and February 1976 saw important developments in the Community's relations with the rest of the world. In addition to agreements reached with Tunisia, Algeria and Morocco, the Council of Ministers on February 9 declared its support for Greece's request for membership, and called for preparatory talks to agree on a common basis for negotiation. The Permanent Representatives are at work on this with the assistance of the Commission, whose earlier opinion on the subject had aroused criticism because it had proposed a 'pre-membership' phase to facilitate Greece's accession, with Community aid. However, as Commission President François-Xavier Ortoli told the European Parliament on February 10, the Commission had always proposed that the Community give a 'clearly positive' response to the Greek request; it had no hesitation about the objective; and it had laid down no political preconditions.

The same Council meeting also gave the green light for the Commission to open negotiations with Canada with a view to a framework agreement for economic and commercial cooperation. This, it hoped, would add a Community dimension to existing links between Canada and individual member States.

From February 18-20, on the invitation of the Canadian Prime

Minister, President Ortoli paid an official visit to Canada, and on February 20 he opened the Commission's new Delegation in Ottawa.

Four days later, on February 24, President Ortoli was received at the White House by President Gerald Ford, on the latter's invitation.

£85 million for UK steel

In January, the Commission announced three new loans for UK steel: £35 million for building an ore and coal importing terminal at the BSC plant at Hunterston, Scotland; £30 million for modernising and extending the BSC's stainless steel cold rolling and finishing works at Shepcote Lane, Sheffield; and £20 million to GKN (South Wales) Ltd., to help finance a project in Cardiff. The total number of new jobs arising will be upwards of 500.

Quote of the month

'European statesmen are developing what I call a "coordination reflex", that is an instinctive habit of continuous consultation with each other to find common answers to problems as they arise.'

James Callaghan, British Foreign Secretary, speaking in Hamburg on January 22, 1976.



Europe into School

The Community countries have agreed for the first time on a joint education programme

Until recently, educational co-operation in Europe was largely a matter for intergovernmental agreement between two or more States. The Commission and the European Parliament have always been keenly interested in it, but progress has been slow. Yet if Europeans are to grow more and more united, they need to know each other better; and they all face similar problems, however much their educational systems differ both between countries and within them.

Now, at last, education is to take its place in the spectrum of Community activities. On December 10, 1975, the Council of Ministers agreed on a first joint educational action programme, and set up a permanent Education Committee to follow it through. The Commission now has the task of implementing the programme at Community level, and the Ministers are to meet regularly to review its progress and set guidelines for the future.

Priority: employment

In the present economic climate, a first priority is to tackle unemployment among school leavers. To this end, the Ministers have called for an urgent report by July 1, 1976, and the Commission is forming a small high-level group of experts to draw it up.

Immigrants

At present, there are nearly two million children of migrant workers in the Community, and their education presents special problems. Ministers have agreed to take measures in each member State to improve facilities for the reception of migrant children; and they have asked the Commission to undertake a series of pilot schemes and studies to provide better information about how special teaching and teacher-training arrangements work.

Exchanges

The Ministers have also agreed to a much more intensive exchange of information and experience. To this end, they will organise study visits for local, regional, and national administrators, as well as visits and exchanges for pupils and teachers. They also plan to strengthen the national advisory services involved in mobility and exchange.

Statistics

The European Community's Statistical Office is to extend the data available on education, and the member States are to try out the procedures involved in the computerised documentation system for education pioneered by the Council of Europe.

Higher education

To encourage institutions of higher education to develop mutual links and joint activities, the contacts between organisations representing them are to be strengthened. Short study visits are to be arranged for teaching and administrative staff and for researchers, and steps are to be taken to promote joint study and research by institutions in several member States. The Ministers are also to arrange a discussion between representatives of the institutions on the problems of admission into higher education.

Languages

The Ministers of Education also agreed on three priority aims for language studies: to give all pupils the chance of learning another Community language; to have all student language teachers spend a period in the appropriate country or region before qualifying to teach; and to promote language teaching outside the school system (e.g. on radio or television), especially for adults' vocational training needs.

European Teachers (E.A.T.)

Applications are invited for the following courses;

1 Study tour to Bruges, Belgium. April 19-24. *Education for leisure in Europe's cities.* Guided visits to Bruges, Gent and Antwerp (town and docks). *Inclusive cost:* £52.00.

2 Weekend course April 30 - May 2 *The education of immigrants in the European Community.* To be held at: Easthampstead Park, Wokingham, Berkshire. *Cost* £12.

Further information from:
The Hon. Secretary, U.K. Section.
E.A.T., 20, Brookfield, Highgate
West Hill, London N6 6AS.

Euronet

From June 1977 onwards, some 700 European research centres, high-technology industries, and other bodies should be able to plug into a Community-wide transmission system for data from more than twenty computer banks, and get their answers in three minutes flat. This is the aim of an agreement recently concluded between the telephone authorities of the nine Community countries. It provides for four communications centres, in London, Paris, Rome, and Frankfurt, with four 'concentrators' in Dublin, Brussels, Copenhagen, and Amsterdam, and local access in Luxembourg—'Euronet' for short.

Summer time

Britain and Ireland put their clocks forward one hour (GMT+1) on March 21, 1976, and put them back again on October 24. France, which is already on GMT+1, puts its clocks on a further hour on March 28, until September 26; Italy, also on GMT+1, also puts its clocks on a further hour for summer time, but from May 30 until September 25. This creates confusion for international transport and communications, especially by telephone. At one time, it was suggested that all Community countries might adopt identical summer time systems. Now, however, the Commission has proposed a more modest simplification — that the countries in question should apply whatever summer time suits them, but do so between the same dates each year, starting in 1977. If this proposal is accepted, they will all put their clocks on one hour from April 3 to October 16 in 1977, from April 2 to October 15 in 1978, and from April 1 to October 14 in 1979.



The Welsh Office

Gwyn Morgan describes the role of the Commission in Wales

On March 16 1976 Wales' presence in Europe will be expressed in bricks and mortar. On that day Number 4 Cathedral Road, Cardiff will become the centre of European activities in Wales.

After six months of temporary residence at the Angel Hotel, where, by their kindness and tolerance, Mr. Owen Jones and his staff made a major contribution to the early establishment of the Community's presence in Wales, the Office has moved 400 yards down the road, crossing the bridge over the River Taff and settling at the foot of Cathedral Road with a nice sense of neutrality mid-way between Sophia Gardens where Glamorgan County Cricket Club play and the Welsh National Rugby Stadium at the Cardiff Arms Park. Cardiff's magnificent Civic Centre, The University, National Museum, Law Courts, Cardiff Castle and, last but not least, the Welsh Office are all within half a mile.

A Positive Rôle

What kind of rôle can a small office like the Commission Office for Wales hope to play? Initially much of the effort has inevitably been expended in meeting and advising local authorities, industrial managers, statutory bodies, and individuals about the nature of grants and loans

available from the Community and in particular about the criteria for their application.

The European Regional Development Fund has made a particular impact in Wales and the funds disbursed have been widely welcomed with much publicity in all parts of the Principality. Some 17% of the ERDF allocation to the United Kingdom has so far come to Wales. While there are projects supported in all parts of Wales priority has been given to those areas where the problems are most severe. In Ebbw Vale grants of more than £550,000 have been made in respect of schemes forming part of the efforts by Blaenau Gwent Borough Council to provide new jobs to replace those to be lost with the end of steel making in the town. The run down in the traditional and basic coal and steel industries creates the primary demands upon Community funds in Wales but this is only one side of the coin.

Benefits to Wales

Expansion and modernisation opportunities have been quickly recognised by the Community. The result of this can be seen in cheap loans for mining development at Bettws, Blaenant, Taff Merthyr and Merthyr Vale.

The Welsh steel industry has bene-

fitted from loans of £60 million for modernisation at Ebbw Vale, Port Talbot, Llanwern and GKN, Cardiff.

The European Investment Bank announced at the end of 1975 a loan of £17.5 million for the modernisation of the Welsh telecommunications network.

In the vital agricultural field, Wales has benefited by grants of £1.2 million under the Community's modernisation schemes and Welsh farmers can hope to see £3 million new aid added to British Government subsidies for hill farmers coming to Wales.

Altogether Wales has derived distinct and direct aid from the Community in three years of membership amounting to some £132 million in loans at favourable rates of interest and to some £13 million in outright grants.

All these benefits deserve publicity and are doing a great deal to make the European Community a living reality for the people of Wales.

The Welsh Contribution

On the economic side the enquiries reaching our office already show the eagerness of Welsh industrialists to plunge into the new European domestic market. Wales already supplies 5% of the Community's needs in coal, 6% in steel, 7% in aluminium and 8% in oil products.

Agriculture has always been a major factor in the Welsh economy. More than 50,000 people are employed in Welsh agriculture today, a larger proportion than in Britain as a whole.

The Community has been most flexible in affording British agriculture time and opportunity to adjust. Welsh farmers – well and fiercely organised – have been a most

effective lobby and a group most anxious to learn more about the Community. Welsh farming can benefit greatly from the Community's policies and Welsh hill farmers in particular.

Educational Activities

The office will also embark upon a programme of education and familiarisation. To this end a one day seminar was held in Cardiff on Friday March 5 1976. In May at Bangor Normal College, Gwynedd, a weekend seminar on direct elections to the European Parliament will be led by leading political and academic figures. We hope also to hold a one day seminar for the Press in May/June. In the autumn we shall hold a seminar on environmental pollution. In the educational field the Office has already launched an essay competition for pupils in Welsh schools. The essay competition is organised in connection with Europe Week and enjoys the support of the Secretary of State for Wales and the Welsh Education Authorities. The competitors will be required to write an essay of up to 1000 words in the Welsh or English language on the subject of 'Wales in Europe' or 'Cymru yn Ewrop'. The prize winners will spend a week on the continent of Europe.

The office is also concerned with sending delegations from Wales to Brussels and Strasbourg and visits from the Community to different parts of Wales.

Life is certainly hectic in Cardiff, but our reward is that Wales is becoming visibly more European.

Welcome to the Commission's Office for Wales!

Croeso i'r Swyddfa Cymraeg y Comisiwn!



The Tokyo Round

Background to the GATT negotiations

The Multilateral Trade Negotiations opened in Tokyo on September 12, 1975. At the end of the ministerial meeting in Tokyo, the more than 100 developed and developing countries represented passed a unanimous resolution. It laid down the two main aims of the negotiations as:

□ The expansion and ever-greater liberalisation of world trade and improvement in the standard of living and welfare of the people of the world through, for example, progressive dismantling of obstacles to trade, and

□ securing additional benefits for the international trade of developing countries so as to increase their foreign exchange earnings, diversify their exports, improve conditions of access in foreign markets for their products and attain stable and fair prices for their primary products.

The declaration also stated that the negotiations would be conducted on the basis of the principles of mutual advantage, mutual commitment and overall reciprocity while observing the most-favoured-nation clause (which requires, in general, that all GATT members be treated equally). The developed countries said that they did not expect reciprocity from developing countries. The importance of maintaining and improving the Generalised System of Preferences was also recognised.

A Trade Negotiations Committee was established which was to be responsible for the overall conduct of the negotiations, covering: tariffs, non-tariff measures, sectoral removal or reduction of trade barriers, possible improvement of the multilateral safeguard system, agriculture, and tropical products.

At the end of the last multilateral trade negotiations (the 'Kennedy Round') the Community had on average the lowest tariffs of any major trading power. Almost all Community tariff items are bound under the GATT, so they cannot be increased without re-negotiation and compensation. This is not the case with several other developed countries.

The Community has also stated that while it will take part in the negotiations with an open mind, 'neither those elements basic to its unity nor the fundamental objectives of its future development could be called in question'. These basic elements included the customs union, the common agricultural policy (CAP) and the common commercial policy.

The Commission negotiates for the Community, assisted by a standing committee of member States' representatives (article 113 Committee). Sir Christopher Soames, as Vice-President responsible for Exter-

nal Relations has the main responsibility for the conduct of the negotiation. At official level the delegation is led by Mr Theodorus Hijzen. The Community also has a permanent delegation in Geneva, headed by Mr Paul Luyten, which handles much of the day-to-day work of the negotiations.

Pre-negotiations

The Trade Negotiations Committee met for the first time in October 1973. Six specialised groups were set up in February 1974 to study about twenty topics.

Thus, in the area of tariffs, the information now available far exceeds that assembled for any previous tariff negotiations. Data on current tariff levels, for example, have been filed on computer tapes for each of the major developed countries, together with corresponding information on trade flows and all this material has been analysed, with the results portrayed in a series of statistical tables.

In the field of non-tariff measures, much preparatory work has been done since 1968 in drawing up and analysing an inventory of measures which governments have forwarded to GATT as examples of alleged barriers to their trade. About 850 notifications had been listed under five broad headings:

- 1 Government participation in trade, e.g. government procurement, export subsidies, countervailing duties, State trading, etc.
- 2 Customs procedures, e.g. customs documentation and valuation, anti-dumping duties, consular formalities, etc.
- 3 Standards for imported and domestic products including packaging and labelling.

4 Import and export limitations, e.g. import quotas, voluntary export restraints, etc.

5 Import and export limitations through price mechanism, e.g. prior deposits, discriminatory taxes, etc.

All this material has been discussed in detail and in some cases outline agreement has been reached on the appropriate type of solution to be sought as well as on the best negotiating approach.

On agriculture, a special committee was set up in 1967 to prepare for the next round of negotiations. It had established and kept up to date a very comprehensive inventory of measures affecting agricultural trade.

Negotiations begin

The United States Trade Bill, setting out the negotiating powers of the US delegation, finally became law early in 1975. This cleared the way for substantive negotiations in Geneva.

On February 11-13, 1975 the Trade Negotiations Committee set up six negotiating groups (with provision for sub-groups where necessary) corresponding to the six preparatory groups.

In his opening address, the representative of the Community emphasised the significant changes which had taken place in the international economic situation since February 1972 when the Community and the United States had made a mutual commitment to open the new round of trade negotiations: the continuing uncertainties and fluctuations in the monetary sector, sharp variations in the price of raw materials and especially the steep increase in oil prices, as well as the new preoccupation with assuring supplies of raw materials and energy. In agriculture,

the over-supply and surpluses had given place to shortages of certain products. In view of these changes, the Community spokesman said, it could become necessary to 'update' the negotiating framework in a way which did not affect the fundamental aims.

As regards the developing countries, the Community was determined to seek solutions which could improve their economic situation and their foreign trade. The recently signed Lomé Convention was a concrete example of the Community's willingness to propose and implement new policies to promote the interests of developing countries.

Tariffs

The Tokyo Round aims at further tariff cuts by means of formulae of as general application as possible. The Community seeks a steeper reduction of high tariffs than of low. Some other delegations would prefer a linear reduction, as in the Kennedy Round, whereby all tariffs are cut by a fixed percentage. The drawback of this method for the Community and other countries with low average tariff is that it would reduce some tariffs to such a low level that they would afford no protection and little leverage for later bargaining.

Delegations from the developing countries have contended that any tariff reductions should give differentiated treatment to protect and enhance generalised preferences and compensate for the erosion of the preferential margins.

At the October meeting of the Tariffs Group, the United States delegation indicated that it would not be in a position before January 1, 1976 to make any definitive state-

ments about its preferences on a tariff formula.

Non-tariff measures

The effects of these have become increasingly significant as the general level of tariff protection has declined. Some, such as quantitative restrictions, have been discussed in GATT since its earliest days, but others have never before been the subject of negotiation. Generally, the purpose of such measures is not to hinder or distort trade but to protect public health and safety or national security. However, it is clear from preparatory work already done in GATT that much can and needs to be done to reduce non-tariff distortions of trade.

The basis for the negotiations is a comprehensive inventory of notifications made by governments.

Four sub-groups on this have been meeting regularly. By the end of September 1975, 21 countries had notified the GATT secretariat of their desire to hold consultations. These notifications were made against 42 countries and the EEC. A number of these consultations have been held and are still being held between participants.

Agriculture

The Tokyo Declaration laid down that the negotiations concerning agriculture, 'while in line with the general objectives of the negotiations, should take account of the special characteristics and problems in this sector'. Previous rounds of negotiations have faced difficulties in the field of agricultural trade mainly because of the variety and complexity of measures and devices applied by governments to imports and exports.

National agricultural policies are, naturally enough, usually designed to protect the country's farmers and ensure sufficient national supplies. In addition to purely economic factors, there are usually other aspects involved — social, environmental, political — all of which make negotiations in this area a difficult and complex matter.

The Community maintains that its common agricultural policy is not a matter for negotiation and that the specific objective of the agricultural negotiations should, therefore, be the expansion of trade in stable world markets, in accordance with existing agricultural policies, by means of appropriate international arrangements. The Community intends to propose, for products such as grains, rice, sugar, and the most homogeneous milk products, the negotiation of a price mechanism accompanied where appropriate by storage measures. The carrying out of food aid programmes would thus be made easier. In the case of other products, the Community could agree to negotiate joint disciplines such as a system of mutual restraints.

Safeguard clause

Article XIX of the General Agreement on Tariffs and Trade prescribes when emergency action can be taken against imports injuring domestic producers. The GATT secretariat has pointed out that this question is particularly complex and any changes need to be approached with great caution. Among the questions which have been raised in preliminary discussions are the definition of 'material injury', the possibility of applying safeguards on a selective basis, that is, only against the

countries whose exports are causing the injury, and the desirability of introducing provisions for multi-lateral surveillance.

The Group on Safeguards held meetings in April and June-July and was agreed that the work would be carried out in two phases:

- examination of how the present system works, and
- if this reveals inadequacies, an examination of what to include in a possible new or revised system.

Tropical products

These include cocoa, coffee, tea and certain vegetable oils, etc. On these, the Community is prepared to consider most-favoured-nation concessions, as well as in the context of its generalised preferences scheme. The Community also maintains its support for international agreements to increase export earnings.

Progress of negotiations

At its first meeting in March 1975, the Group 'Tropical Products' drew up guidelines for the negotiations in this sector. The developing countries concerned were invited to submit lists of initial requests for concessions.

Between May and October 1975, the Community had received about 20 lists of requests for concessions on tropical products from countries in Central and Latin America and Asia. Bilateral contacts between the Community and the countries concerned have been taking place which have clarified the details of the requests some of which have extended to over 150 tariff headings. It was agreed at the October meeting of the Group that the target date of March 1, 1976 would be set for the tabling of offers.



Europe in the World

Guatemala relief

In addition to private aid, the Community and its member States are supplying more than \$1.5 million for victims of the Guatemala earthquakes. Two-thirds of it consists of food, tents, blankets, medicines, etc. Of the remaining \$500,000 in cash, the Community is contributing \$250,000 from its own budget.

Aid for Lebanon

The Community has allotted financial and food aid for Lebanon, to a total of one million units of account. The food consists of 3,589 tonnes of grain, 200 tonnes of butteroil, and 250 tonnes of skimmed milk powder; the money is being paid to the International Red Cross for the supply of medicines and surgical equipment. The aid is additional to that already granted by individual member States.

\$9 Million more to Greece

Two new loans totalling \$9 million will bring the total aid provided by the EIB, under the Association Agreement with Greece, to \$121.5 million since 1962. \$5 million will go to help finance the building of a cables factory at Volos and \$4.032 million is allocated for developing cement works at Kamari.

Comecon visit

Herr Gerhard Weiss, President of the Executive Committee of Comecon and Vice-President of the Council of Ministers of the Democratic Republic of Germany, called on M. Gaston Thorn, the current President of the Community's Council of Ministers, on February 16, 1976. Acting on behalf of Comecon and of all its member States' Governments, he handed to M. Thorn the text of a proposed draft agreement on which Comecon hopes to open negotiations. The Community's Council of Ministers is to discuss the matter shortly. Sir Christopher Soames, Vice-President of the Commission, took part in the discussions following the handing over of the draft text.

Talks with Portugal

Negotiations between the Community and Portugal, with a view to trade, economic, and financial co-operation, opened in Brussels on February 13, 1976. The Portuguese delegation is led by Ambassador de Siqueira Freire, Head of the Portuguese Mission to the European Communities, and the Community delegation by Roland de Kergolay, the Commission's Deputy Director-General for External Relations.



More regional aid

The United Kingdom is to receive a further three million pounds in the first 1976 allocation from the European Regional Development Fund, announced on February 3. The allocation includes £1.67 million for projects in Northern Ireland, £596,699 for Scotland, and £61,134 for Wales. This brings to £38.9 million the Regional Fund aid so far allocated to the United Kingdom as a whole.

A sad story

A European Parliamentary Question from Mr Libero Della Briotta brought to light the sad story of a sixty-year-old Italian couple who were penalised through not knowing their rights as Community citizens. Having worked all their lives in the United Kingdom, they tried to take their savings out with them in sterling banknotes when they returned to Italy. They were stopped, and heavily fined for breaking UK currency regulations. But if they had transferred the money through a bank, under Community regulations, there would have been no problem. As the Commission points out in its answer to Mr Della Briotta, this underlines the need for an information service for migrant workers such as it has proposed in its Social Action Programme.

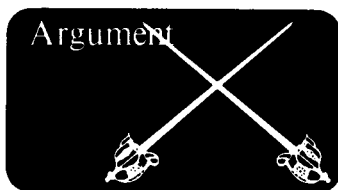
Amsterdam courses

The Europa Institute of the University of Amsterdam, in conjunction with the Netherlands Universities Foundation for International Cooperation, is holding courses on Legal Aspects of European Integration from August 16–27, 1976. The tuition fee is 750 Dutch florins, and the courses are in English. Details are available from NUFFIC, Department of International Education, 27 Molenstraat, The Hague 2003.

Statistic of the month

National courts are referring more and more cases to the European Court of Justice for a preliminary ruling, instead of going through a long and costly appeals procedure.

The year 1975 saw a 100 per cent increase in such instances, compared with a 14 per cent increase in the number of ordinary cases heard. During 1975, the Court was seized of 130 cases, including two actions by the Commission against member States, one action against the Commission by a member State, and 32 against it by natural or legal persons. There were also 26 cases involving staff disputes – a very marked decrease compared with previous years. All this involved 80,000 pages of legal documentation, and resulted in 78 judgments during the year.



Community Layer Cake

Leaving aside all the arguments as to whether M. Tindemans did or did not recommend a 'two-tier' European Community, there seems little doubt that any formal acceptance of such an idea would have a bad effect on the future of European institutions. As M. François-Xavier Ortoli, the President of the Commission, has said, there are undoubtedly richer and poorer countries in the Community, but the whole of European integration reposes on the principle that the rich help the poor until such time as the latter can help themselves. It is an irritating fact of life that armies tend to march at the speed of the slowest unit, but military history shows that it is better than straggling. Look at the battle of Salamanca.

'Two-tier', in fact, may be acceptable as a rough description of economic fact. It is not at all acceptable as a description of economic aspiration or even of political reality. In terms of the political situation within the Community's council, other factors than the purely economic come into play. From the moment that there is a directly elected European Parliament the size of the populations of the different member States will be bound to exert some influence – as, indeed, it does already. Thus GNP per head cannot be considered decisive in determining the part played within the Com-

munity by an individual country. Politically it is thoroughly misleading to speak of a 'two-tier' Community.

If such an idea became current, there would also be a danger that it would fix countries in two league-tables between which there would be far less mobility than is the case in football. Those in the top layer would get accustomed to making their own arrangements in a sort of Council within a Council. Those at the bottom would permit this on condition that they were bailed out by a certain amount of aid.

But psychological incentives are essential to national effort, and a seat at one table is a crucial part of such mechanisms. The Community must love and suffer as a whole. Otherwise it might appear to public opinion in the poorer countries that they were being subjected to control by their richer neighbours – a reaction already familiar in the Third World.

Understandable as the desire to get ahead and make progress may be, there is nothing to be said for proposals which might result in making the European Community unmanageable. Moreover, over the last three years, despite what is said and written, the Community has achieved a great deal. Regional policy, social policy, the Lomé agreements, a new policy towards Asian countries, a dialogue with the Arabs – all these things are positive results in which the Commission has played its full part. Who would have said even five years ago that we should now be discussing as a matter of urgency direct elections to the European Parliament?

The Community cake is not yet in layers, but it can taste good all the same.

Thomas Archer