

EUROPEAN STUDIES

teachers' series

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The European Communities: historical background

Before the beginning of the Second World War, Europeans could still believe that they belonged to the world's principal continent. Already this view was an illusion, and by 1945 the illusion was revealed. Socially and economically Europe was devastated and enfeebled. Politically and militarily Europe was overshadowed by two world powers, the USA and the USSR, whose troops met, symbolically, in central Germany in May 1945. This forms the background to the formation and growth of the European Communities.

The Iron Curtain

Co-operation between the war-time allies—Britain, the USA and the USSR — was not always as close as the general public believed. Each government was concerned to influence the pattern of the post-war world, and differences between the war-time leaders emerged as early as the Teheran and Yalta conferences in November 1943 and February 1945.

Stalin was the most suspicious of the war-time leaders, and his fears and ambitions led to the greatest change in the balance of political and military power in post-war Europe—the extension of the communist world and its separation from the rest of Europe by what Churchill referred to as the “iron curtain” (speech at Fulton, USA, 1946). Apart from traditional reasons of territorial expansion, various motives may have lain behind this: on the one hand, a realisation that Russia had been more seriously weakened than the Western powers in the Second World War, and consequently a desire to conceal this and to establish buffer states between the USSR and Germany; and on the other, a belief that the Western powers would take offensive action against communism and that this should be forestalled.

Whatever Stalin's motives may have been, he established communist leaders in power in an unbroken band of Eastern European states stretching

from the Baltic to the Mediterranean. (See map). These satellite states were under the influence of the Soviet Union (until Yugoslavia became an exception, asserting her independence in the latter half of 1948).

The Western powers saw this as a threat to their independence. They felt themselves obliged to close their ranks in order to face this threat and this gave them some of their first experiences of post-war co-operation. The communist *coup* in Czechoslovakia (February 1948) prompted Britain, France, Luxembourg, the Netherlands and Belgium to conclude the Brussels Treaty of military alliance (Germany and Italy, who had fought against the Allies for all or part of the Second World War, were significantly not members). Nor did the USA join the Brussels Treaty powers, although in 1947 President Truman had committed his country to the non-communist world: the “Truman doctrine” of March 1947, pledging the USA to defend “the free peoples of the world” against totalitarian states, was clearly aimed at the Soviet Union. The willingness of the Western powers to resist was tested in the second part of 1948 when the Soviet Union cut off the land and water routes to Berlin; but it was the USSR that was forced to yield in the face of the Western “air-lift”. It called off the blockade in May 1949. One month before, in April, the North Atlantic Treaty was signed by the five Brussels Treaty countries, plus Canada, Denmark, Iceland, Italy, Norway, Portugal and the USA, and NATO thus came into existence.

Economic and political cooperation: the first steps

The background to these political and military changes was a devastation unknown, perhaps, since the Thirty Years' War of the 17th century, and far more widespread. The loss was both human and material.

In human terms 17 million soldiers had been killed, and many civilians too had died as a result of military action or malnutrition. Thirty-five million soldiers had been wounded, and to these too must be added the civilian casualties. Six million Jews had been killed in the Nazi "final solution". Nine million refugees—"displaced persons"—were homeless; for many of them, even if they had wanted to return to their native countries, there were no homes to return to.

The material loss was as daunting. Capital investment in roads, railways, shipping and factories had been neglected during the war years except where these served a direct military purpose. Towns had been destroyed by bombing. Farmlands had been neglected and sometimes fought over. The materials of reconstruction—iron and steel, coal, chemicals, oil, bricks and cement—were themselves lacking. Peace did not bring prosperity.

This was the situation in which the American Secretary of State, General Marshall, launched the plan for economic aid to Europe which became known as the Marshall Plan (June 1947). As so often in politics, mixed motives lay behind the decision: partly humanitarianism, and partly the belief that communism thrived on economic discontent and that its further spread could best be checked by the removal of one of the conditions of its success. Aid was offered to all formerly combatant European states, but the grant of aid was made dependent on economic co-operation between the recipient states. The Soviet Union and its satellites refused aid on these terms. In March 1948 the recipient states of Western Europe formed the Organization for European Economic Co-operation (OEEC)¹ to administer the aid. This was the first important move towards economic co-operation between states in post-war Europe.

The OEEC was a practical economic development. But reaction to the horrors of war had lent the force of idealism to European integration. Before the war ended, European resistance movements had declared their 'community of aim and interest' (July 1944). Winston Churchill in 1946 declared: "We must build a kind of United States of Europe". (See Appendix.) In 1948 European leaders advocated the creation of a European Parliament, and in May 1949 the Council of Europe was set up in Strasbourg. It was seen by many as the first step

¹ Transformed in 1961 into the Organization for Economic Co-operation and Development.

towards a federal European Parliament. But some national governments were unwilling to go so far, and the Council remained a purely intergovernmental organization, advised by a Consultative Assembly of delegates from national parliaments. The Council has thus proved too weak to achieve the success its founders hoped for, although it has done useful work in the cultural and educational fields and in that of human rights.

The first European Community






By the late 1940's a divergence of views on the achievement of unity in Europe was becoming evident. Opinion in the governments and the parliaments of most continental European countries generally favoured a federal structure, while to others, particularly in Britain and the Scandinavian countries, only a looser form of intergovernmental co-operation was at the time acceptable. This divergence was later to become institutionalised in the European Community on the one hand, and the European Free Trade Association on the other.

On May 9, 1950, Robert Schuman, then the French Foreign Minister, put forward a completely new, indeed revolutionary plan. The "Schuman Declaration" (see Appendix) proposed placing under common control the whole of the coal and steel production of France, Germany and any other interested West European country. The author of the plan was Jean Monnet, at that time head of France's state planning board, the *Commissariat au Plan*. Though limited to the economic integration of the coal and steel sectors, its motivation was essentially political, aiming at the creation of a political body—the High Authority—which would be independent of national governments. Monnet and Schuman saw their proposal as the first of a series of concrete steps towards a European federation. The European Coal and Steel Community was founded by France, West Germany, Italy, Belgium, Luxembourg and the Netherlands—"the Six"—by the Treaty of Paris, signed on April 18, 1951. The ECSC's institutions began work in August 1952.

A European Army

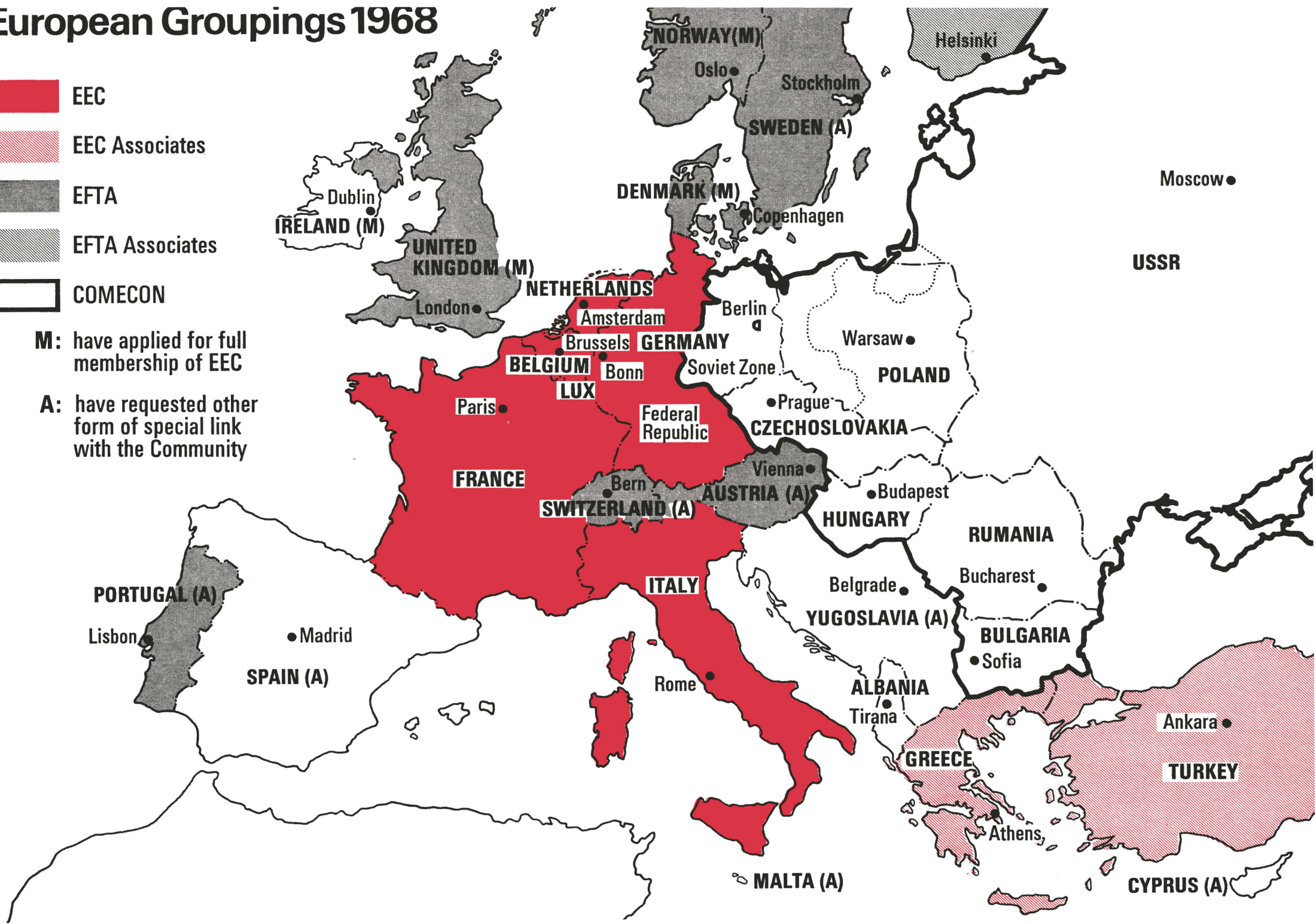
The position of Germany vis-à-vis the Western European powers changed during the late 1940's and early 1950's. In the immediate post-war years Germany was still the recent enemy. This situation changed as the Soviet Union's intentions came to be regarded with deepening mistrust and fear and as the allies and the Germans of the three Western

European Groupings 1968

-  EEC
-  EEC Associates
-  EFTA
-  EFTA Associates
-  COMECON

M: have applied for full membership of EEC

A: have requested other form of special link with the Community



zones of Germany and of Berlin worked together during the Berlin air-lift. This change in attitude was given concrete form in 1949 when the Western powers relinquished military government in the three Western zones of occupation in Germany and transferred sovereignty to a Federal German Government.

The question then arose for the Western powers whether to admit Germany into the Western defence organisations. Anti-German feeling, still strong in most Western states, led to opposition to this course of action, as did the fear that an armed West Germany would aggravate tension with the communist powers. On the other hand, West Germany could make a valuable contribution to Western defence, and allied statesmen argued that she should also bear a share of the burden of Western defence expenditure.

In October 1950, the French Premier, René Pleven, advanced the idea of a European Defence Community (EDC). German troops were to be incorporated within a European defence force and there was to be no independent German army. Despite Winston Churchill's call, made in the Council of Europe in August 1950, for "the creation of a European Army under the authority of a European Minister of Defence subject to European democratic control", Britain again refrained from supporting the French initiative, and it was the same six ECSC countries who signed the treaty to establish a European Defence Community in May 1952. But after much delay, the French Assembly refused in August 1954 to ratify the treaty, and the EDC, and with it the allied plan for a European Political Community, died a premature death. Instead, Germany and Italy were admitted to the Brussels Treaty, which, in its expanded form, was renamed the Western European Union (WEU). At the same time Germany became a member of NATO (Italy was already a member).

New Economic Communities

During the early 1950s, politicians' concern with the proposed EDC was such that other possible forms of integration received little attention. However, by 1954 the failure of the EDC proposals and the evident success of the ECSC produced a situation in which further economic integration could be seriously considered. Moreover it was becoming increasingly evident that the dominance of the world powers was to be a permanent feature of the post-war world, and it seemed that only through a pooling of economic resources could Europe regain a position of influence in the world community. In June 1955, the Foreign Ministers of the 'Six' met at Messina, Sicily, and decided that the integration of Europe should proceed "in order to maintain Europe's place in the world, to restore her influence and prestige, and to ensure a continuous rise in the

living standards of her people"; and they appointed a committee under Belgian Foreign Minister, Paul-Henri Spaak, to investigate possibilities and make recommendations.

In 1956 the committee recommended:

- the removal of customs barriers within the 'Six' by forming a *European Economic Community* (EEC);
- the creation of a *European Atomic Energy Community* (Euratom) to develop the use of nuclear energy for peaceful purposes; Treaties embodying these two proposals were signed in Rome on March 25, 1957, and came into operation on January 1, 1958.

Britain's position

Britain had remained outside the ECSC in 1951 and remained outside both Euratom and the EEC in 1958. Commonwealth loyalties were one reason for this; another was the British Government's attachment to what it considered to be its "special relationship" with the USA; another was doubtless a form of isolationism, a sense of political and economic as well as geographic detachment from the continent. But perhaps the main reason was that Britain had not—as all the Six had—had her faith in her sovereign national existence and institutions shaken to their foundations by defeat and humiliation in the Second World War.

By the late 1950's, however, public opinion in Britain was becoming concerned at her exclusion from the economic advantages of a large trading community and the lack of political influence which this might entail. The British Government favoured the creation of a free trade area, covering as much of Western Europe as possible, and in 1957 put forward proposals to this end (the Maudling Plan). But negotiations broke down the following year, and in 1959 Britain and six other countries founded the European Free Trade Association.

EFTA, though more effective than many people predicted, has not achieved the economic successes of the EEC. This is partly because its total economic and social resources are much smaller; partly, perhaps, because its members initially enjoyed a higher standard of living and so began from a higher base. Nor, of course, does EFTA contain the political objectives inherent in the Common Market, and which successive British governments came to accept. In 1961 the British government (a Conservative government under Mr. Macmillan) applied for membership of the EEC, and most of the other EFTA states applied for membership or association. This application failed in 1963 when it was vetoed by the French President, General de Gaulle. In 1967 another British government (this time a Labour government, under Mr. Wilson) applied to join the EEC; this application too, was vetoed by France in December of the same year.

European documents

1. Winston Churchill at the University of Zurich, September 19, 1946.

... If Europe were once united in the sharing of its common inheritance, there would be no limit to the happiness, to the prosperity and glory which its three or four hundred million people would enjoy.

... Yet all the while there is a remedy which, if it were generally and spontaneously adopted, would as if by a miracle transform the whole scene, and would in a few years make all Europe, or the greater part of it, as free and as happy as Switzerland is today. What is this sovereign remedy? It is to recreate the European Family, or as much of it as we can, and provide it with a structure under which it can dwell in peace, in safety and in freedom. We must build a kind of United States of Europe. In this way only will hundreds of millions of toilers be able to regain the simple joys and hopes which make life worth living...

... But I must give you a warning. Time may be short...

... If we are to form the United States of Europe or whatever name or form it may take, we must begin now.

2. The declaration of May 9, 1950 by Robert Schuman, then French Minister of Foreign Affairs, speaking on behalf of his Government.

The contribution which an organized and living Europe can bring to civilization is indispensable to the maintenance of peaceful relations. In taking upon herself for more than twenty years the role of champion of a united Europe, France has always had as her essential aim the service of peace. A united Europe was not achieved, and we had war.

Europe will not be made all at once, or according to a single, general plan. It will be built through concrete achievements, which first create a de facto solidarity. The gathering of the nations of Europe requires the elimination of the age-old conflict between France and Germany.

The first concern in any action undertaken must be these two countries.

With this aim in view, the French Government proposes to take action immediately on one limited but decisive point. The French Government proposes to place Franco-German production of coal and steel under a common High Authority, within

the framework of an organization open to the participation of the other countries of Europe...

The solidarity in production thus established will make it plain that war between France and Germany becomes not merely unthinkable but materially impossible. The setting-up of this powerful production unit, open to all countries willing to take part, and eventually capable of providing all the member countries with the basic elements of industrial production on the same terms, will lay the real foundations for their economic unification...

By pooling basic production and by setting up a new High Authority, whose decisions will be binding on France, Germany and other member countries, these proposals will build the first concrete foundations of the European Federation which is indispensable to the preservation of peace...

3. Treaty establishing the European Economic Community, March 25, 1957.

Preamble

... Determined to establish the foundations of an ever closer union among the European peoples,

Decided to ensure the economic and social progress of their countries by common action in eliminating the barriers which divide Europe,

Directing their efforts to the essential purpose of constantly improving the living and working conditions of their peoples,

Recognising that the removal of existing obstacles calls for concerted action in order to guarantee a steady expansion, a balanced trade and fair competition,

Anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and by mitigating the backwardness of the less favoured,

Desirous of contributing by means of a common commercial policy to the progressive abolition of restrictions on international trade,

Intending to confirm the solidarity which binds Europe and overseas countries, and desiring to ensure the development of their prosperity in accordance with the principles of the Charter of the United Nations,

Resolved to strengthen the safeguards of peace and liberty by establishing this combination of resources and calling upon the other peoples of Europe who share their ideal to join in their efforts.

Have decided to create a European Economic Community...

The Population of the European Community

In mid-1967 the total population of the six countries of the European Community was approximately 185 million. This total was distributed over an area of 465,000 sq. miles, with a gross density of 410 persons per sq. m. Other states in the world have larger areas; in no similar sized territory is there a higher density. The total population, comparable with that of the U.S.A., is exceeded only by China, India and the U.S.S.R. (The figures for the United Kingdom are: population 54.7 million; area 94,214 sq. miles; density 580 per sq.m.)

There are two non-statistical characteristics of the population of the Community which should be borne in mind:

(1) The population is split into four linguistic groups, (French, Italian, German and Dutch), and each language is associated with a rich cultural heritage.

(2) Although the inter-country migration of workers is strictly regulated, it is expected that freedom of residence for everyone in the Community will soon be realized.

Until a greater degree of integration of population has been achieved it is best to study the population data of the Community from the statistics for each of the six nations.

Geographical distribution of the population

In terms of density, the six states may be divided into three pairs:

(a) Netherlands and Belgium, two states with very high densities—over 750 per sq.m. (the highest national densities in the world).

• **Netherlands.** (Population: 12.6 million; area: 12,945 sq.m.; density: 960). The Netherlands has the highest population density of the Six. Half of this population lives in the polder zone between the North Sea, the Rhine and the Zuider Zee. In this zone are two conurbations—North Holland (Haarlem-Amsterdam-Hilversum) and South Holland (The Hague-Rotterdam-Dordrecht). Outside the conurbations, industrial development, already advanced in the South (Breda-Tilburg-Eindhoven), is spreading to the East (Nijmegen-Arnhem-Enschede), and to the North (Groningen). All these urban centres have more than 100,000 inhabitants. The Eastern provinces are the least populous.

• **Belgium.** (Population: 9.5 million; area: 11,779 sq.m.; density: 768). The population of Belgium is less concentrated than that of the Netherlands; only one-third of the population is resident in the four main urban centres of Brussels, Antwerp, Ghent and Liege. The density falls

off in the agricultural lowlands of central Belgium and drops to 97 in the uplands of the Ardennes.

(b) West Germany and Italy have high densities.

• **West Germany.** (Population: 58.5 million; area: 95,737 sq. m.; density: 602). Urbanization is very advanced and there are 16 cities with more than 400,000 inhabitants. The greatest concentration of population is in the Ruhr industrial zone, which is a component of the Rhine-Westphalia area, a territory the size of Belgium, which has a population of 16 million. There is a marked contrast between the high densities of the lowlands in the Rhine gorge and its tributary valleys, and the plains of North Germany, (densities of more than 400) and the low densities of the Rhine Massif, the Swabian Jura and the Franconian Jura (densities of less than 100).

• **Italy.** (Population: 52.3 million; area: 131,000 sq.m.; density: 443). 60 % of the total population lives in towns of more than 10,000 persons. The population centres are found in the lowlands of the Po Valley and the coastal margins of the peninsula and the islands. The high densities of these areas contrasts with those of the sparsely populated uplands; in parts of the Italian Alps there are fewer than 75 persons per sq.m.

(c) Luxembourg and France have relatively low densities.

• **Luxembourg.** (Population: 335,000; area: 999 sq.m.; density: 332). 70 % of the population is concentrated in two arrondissements—Luxembourg and Esch-sur-Alzette. The rest of the country, chiefly the uplands of the Luxembourg Ardennes, has fewer than 100 inhabitants per sq.m.

• **France.** (Population: 50 million; area: 212,895 sq.m.; density: 232 per sq.m.). One third of the population live in 34 cities of more than 100,000 inhabitants. Paris, the largest of the few conurbations, has more than one-sixth of the total. Many regions are empty compared with the rest of the European Community. These include large upland areas, e.g. the Massif Central, with densities as low as 40 per sq.m., but also other large areas with densities below 100.

A study of the map accompanying these notes shows generalized density zones which extend across national frontiers.

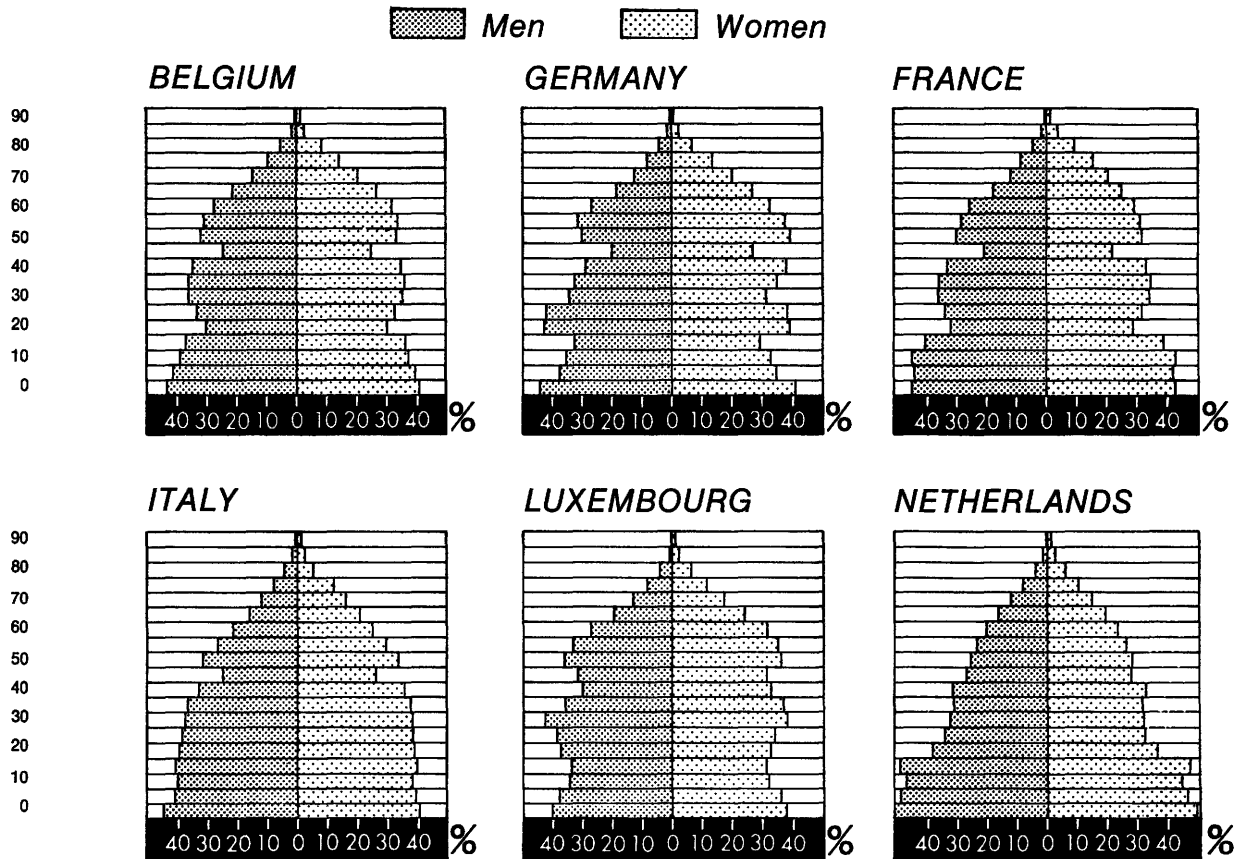
Population Structures

Since 1900 the patterns of the population structures have been influenced by a number of factors; some of these factors have influenced only individual countries, others have influenced all six countries.

Age Pyramids

Age pyramids have been drawn for each country. It can be seen that the Netherlands has the most regular pyramid. The other pyramids are more uneven. Deficits in births during the periods of the two World Wars (with the exception of World War II in Italy) can be detected. Other variations, e.g. France before 1939 and Germany from 1945 to 1955, are explained by crises of diverse origin, which affected individual countries. Migration of adults has affected the length of some of the columns.

POPULATION BY AGE AND SEX (1965)



Population by Age and Sex

It can be seen from the Table 1 that in all six countries there are more females than males in the population. An interesting feature is the larger number of males in the under-twenty age group in each country.

More than a third of the population of the Netherlands is in the under-twenty group; in France, Italy and Belgium the figure is nearly a third, while in Luxembourg and Germany it falls far short of this.

Table 1

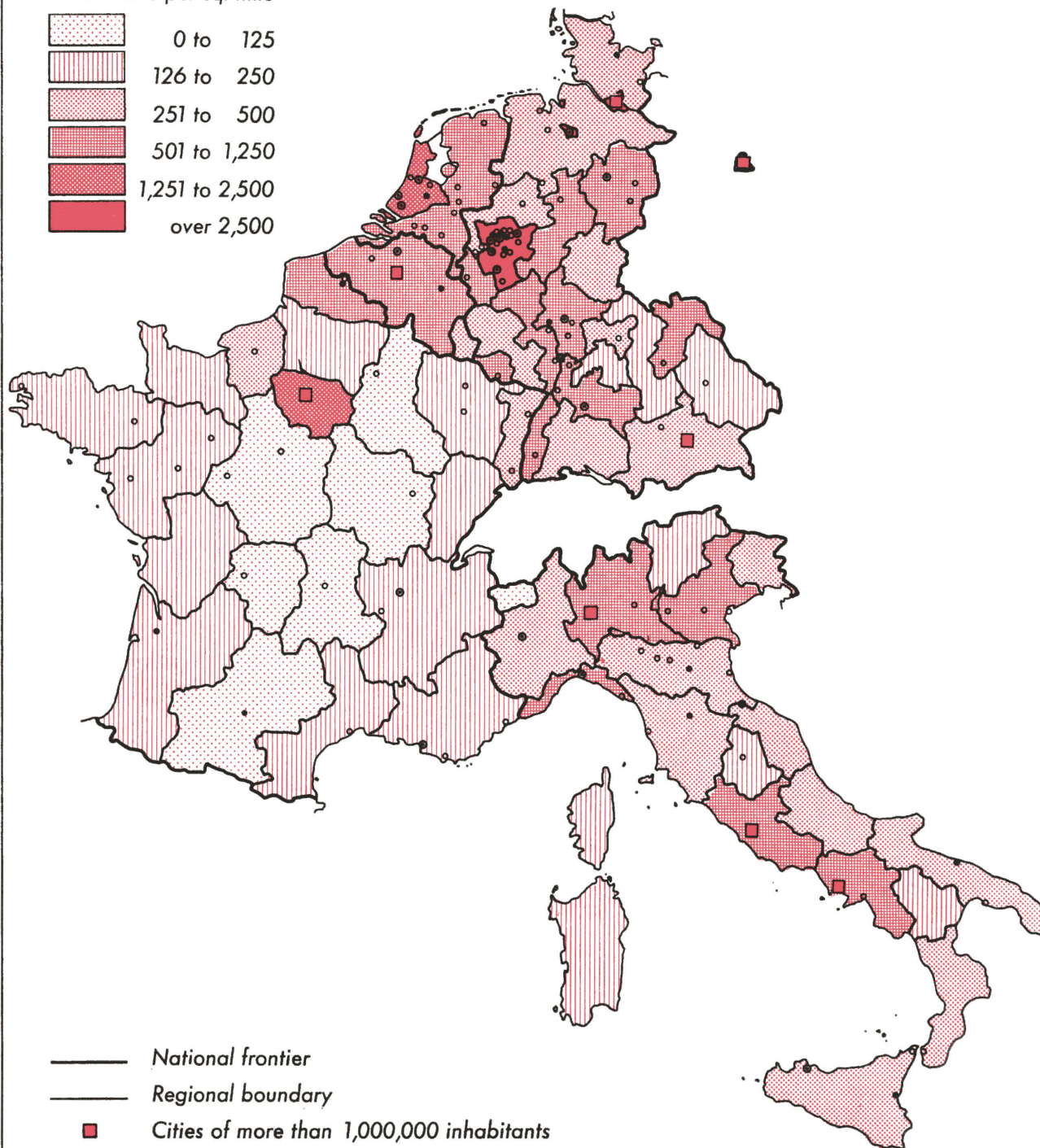
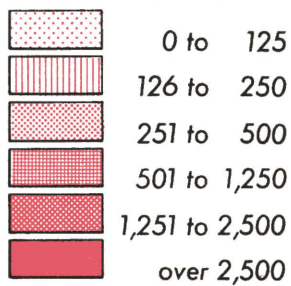
Population Breakdown by Age and Sex
(as percentage of total population, 1966)







	Germany			France			Italy			Netherlands			Belgium			Luxembourg			UK ^a		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
0-19 years	14.9	14.1	29.0	17.3	16.7	34.0	16.2	15.7	31.9	19.3	18.5	37.8	16.1	15.4	31.5	14.7	13.9	28.6	15.8	15.1	30.9
20-64 years	28.1	30.9	59.0	27.0	26.8	53.8	28.1	29.8	57.9	26.1	26.4	52.5	27.7	28.1	55.8	30.4	29.6	60.0	28.2	28.5	56.4
65 and over	4.7	7.3	12.0	4.6	7.6	12.2	4.5	5.7	10.2	4.4	5.3	9.7	5.3	7.4	12.7	4.9	6.5	11.4	4.7	7.7	12.7
All ages	47.7	52.3		48.9	51.1		48.8	51.2		49.8	50.2		49.1	50.9		50.0	50.0		48.7	51.3	

^a Estimate at June 1967.

THE POPULATION DENSITY OF THE COMMUNITY

Inhabitants per sq. mile



-  National frontier
-  Regional boundary
-  Cities of more than 1,000,000 inhabitants
-  Cities of more than 500,000 inhabitants
-  Cities of more than 250,000 inhabitants
-  Cities of more than 100,000 inhabitants

0 M 250



Occupational Structure

The increase in total population is not reflected in an increase in the working population. At the upper end of the age scale there is an increase in retired and non-employed persons associated with early retirement and increased longevity. The trend towards raising the school leaving age affects the lower end of the scale.

An examination of the statistics reveals that for occupational types there is a sharp reduction in the numbers employed in agriculture, accompanied by an increase in employment in services and industry. The size of these changes varies from country to country.

In all six countries there are very low unemployment figures.

Table 2 Working Population (in thousands) and % Breakdown by Sector

	Germany		France		Italy		Netherlands		Belgium		Luxembourg		UK
Working population in 1966	26,762		19,736		19,477		4,477		3,665		140		25,818
Men	63 %		67 %		73 %		76 %		68 %		—		60 %
Women	37 %		33 %		27 %		24 %		32 %		—		34 %
Breakdown (% of total working population)	1955	1966	1955	1966	1955	1966	1955	1966	1955	1966	1955	1966	1966
Agriculture	18	11	28	17	37	24	12	9	9	6	19	13	3
Industry	45	49	37	39	31	39	40	42	44	44	42	46	47
Services	33	39	34	42	25	33	44	48	40	48	37	41	49
Unemployment	4	1	1	2	7	4	1	1	8	2	0	0	1

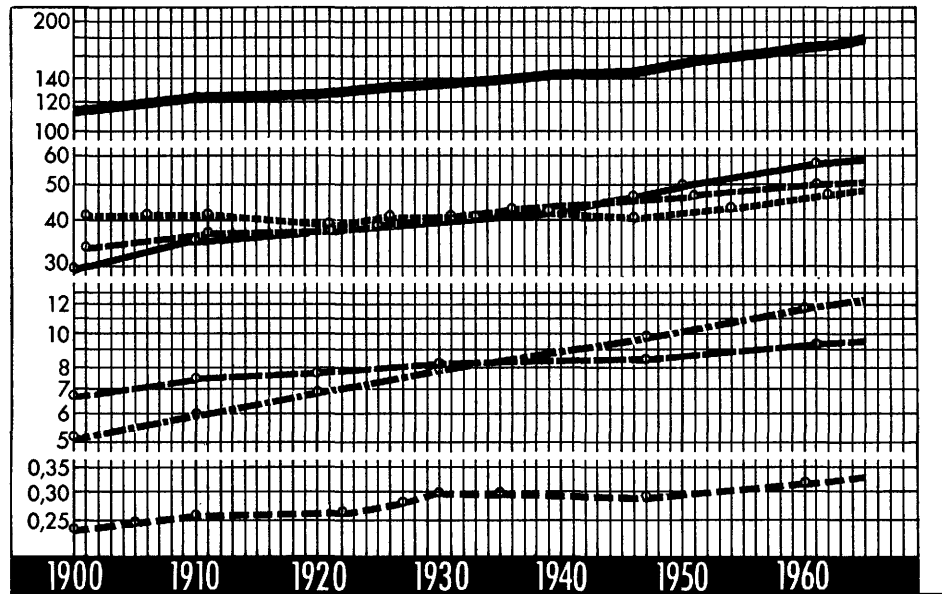
Population Trends

In fifteen years the population of the Community has increased by 24 million. In 1964, alone, the increase was two millions; one and a half million from natural increase and a half million from immigration. Within this over-all trend there are national variations, as shown on the graph.

In Germany and the Netherlands there have been regular rates of increase in population since the 19th century and this trend has continued through periods of war and political crisis. Italy's population has grown steadily, though at a slower rate. After long periods of stagnation, Belgium and Luxembourg are slowly increasing their populations. The most dramatic increase has occurred in France in the last twenty years.

TOTAL POPULATION 1900-1965

——— COMMUNITY
 ——— GERMANY
 FRANCE
 - - - - ITALY
 .. - - NETHERLANDS
 - - - - BELGIUM
 - - - - LUXEMBOURG
 ○ CENSUS



An explanation for these changes is to be found in figures for birth rate, death rate, natural increase and immigration for each country:

(a) **Birth Rate.** Birth rate rose rapidly in all countries immediately after the end of World War II, and the rates remain high. There are variations from country to country. In France, Belgium and the Netherlands birth rate has fallen steadily. In Italy, Germany and Luxembourg, the trend is not so easily described. In Germany and Luxembourg birth rate rose in the 1950's and has fallen since 1960; in Italy, birth rate started high in 1950, fell in the late 1950's, rose to 1965 and has fallen since.

Table 3 Births per 1,000 inhabitants

	Germany	France	Italy	Netherlands	Belgium	Luxembourg	UK
1950-1954	15.8	19.4	18.3	22.1	16.6	14.7	14.8
1955-1959	16.5	18.3	17.7	21.2	17.0	15.8	16.3
1960-1964	18.0	17.9	18.6	20.9	17.0	15.9	18.2
1965	17.7	17.6	18.8	19.9	16.3	15.9	18.3
1966	17.6	17.4	18.5	19.2	15.9	15.7	17.8

(b) **Death Rate.** The death rate has varied little; the downward trend is appreciable only in France and is non-existent in the other five countries.

Table 4 **Deaths per 1,000 inhabitants**

	Germany	France	Italy	Netherlands	Belgium	Luxembourg	UK
1950-1954	10.8	12.7	9.8	7.5	12.0	11.7	10.9
1955-1959	11.1	11.8	9.4	7.6	11.8	11.8	10.9
1960-1964	11.4	11.2	9.6	7.8	12.0	11.9	11.2
1965	11.5	11.0	9.8	8.0	12.2	12.2	10.9
1966	11.5	10.6	9.3	8.1	12.1	12.2	11.2

Remarkable results have been achieved in the fight against infant mortality. During the 1950-1965 period, the rate dropped every-where by 40-50 %. The table shows the variations from country to country.

Table 5 **Infant mortality ^a**

	Germany	France	Italy	Netherlands	Belgium	Luxembourg	UK
1950-1954	49.3	45.9	61.1	23.2	46.3	44.6	29.0
1955-1959	37.6	33.9	48.7	18.1	35.5	37.5	25.1
1960-1964	29.5	25.5	40.3	16.5	27.6	29.4	21.2
1965	23.8	21.9	34.3	14.4	24.0	24.0	19.6
1966	23.6	21.7	34.3	14.5	21.2	34.3	19.6

^a Deaths under 1 year per 1,000 live births.

An outstanding feature of these figures is the very low initial rate for the Netherlands and the even lower figure for 1965. Only in 1965 were the other countries, with the exception of Italy, showing a figure comparable with the 1950 figure for the Netherlands.

(c) **Natural Increase.** For the Community as a whole, the natural increase was 7 %. Again, this overall figure conceals national disparities.

The low death rate and high birth rate of the Netherlands are reflected in an exceptional growth rate of 11.9 %. There are notable differences between the regions.

The female population outnumbers the male population in all countries but Luxembourg. This is most striking in Germany where the difference amounts to 2 ¼ millions. This is the main cause of Germany's relatively low rate of increase (6.2 %).

Luxembourg, with the lowest birth rate and the highest death rate, has the lowest growth rate at 3.7 %.

Belgium has an equally low rate (4.1 %) but there are marked regional differences, e.g. Flanders has 9 % and Wallonia only 3 %, with a lower birth rate and a higher death rate than the Belgian average.

France's rate (6.6 %) is similar to Germany's but there are significant regional variations. The birth rate is highest in the northern half of the country; the death rate is highest in the Massif Central and the south-west.

Italy owes its high growth rate (9.0 %) to the high birth rate in the south, and to a fairly low death rate. The Po Valley and the Rome region have a low growth rate.

If these growth rates are projected into the future, and if emigration is excluded, the total population of the Community in 1980 would be approximately 200 million, distributed in the following way:

Germany	60.7 millions	Netherlands	15.2 millions
Italy	59.2 millions	Belgium	9.9 millions
France	53.8 millions	Luxembourg	0.35 millions

(d) **Migration.** Migrations between the Six and non-member countries are closely linked to economic trends. Emigration has fallen off in the last decade. In Southern Italy there is a manpower surplus and Germany is the chief beneficiary from Italian emigration.

The demand for industrial workers in France and Germany has been partly met by immigrants. Although the figure for immigrants was low from 1950 to 1955, it has increased since then. In 1966 half a million immigrants came into the Community from outside, and a further quarter of a million Community nationals migrated to another member country. Of the latter almost 200,000 were Italians, 165,000 of whom went to Germany. The largest groups among the immigrants from non-member countries were Spaniards (200,000, mostly to France), Yugoslavs (62,000, mostly to Germany), Portuguese (59,000, mostly to France), Turks (52,000, mostly to Germany and the Netherlands), Greeks (40,000, mostly to Germany). In all, Germany accepted 425,000 immigrants, France 255,000, the Netherlands 36,000 and Belgium 27,000.

By 1980, it is expected that between 3.5 and 4 million immigrants will have entered the Community, bringing the total labour force up to 82.6 million. This trend is shown in the following table:

Table 6 **Working Population Forecasts (in '000)**

	Germany	France	Italy	Netherlands	Belgium	Luxembourg	Community
1970 excluding migration	26,192	20,763	20,898	4,786	3,725	142	76,506
1970 including migration	26,977	21,327	20,542	4,836	3,795	144	77,621
1975 excluding migration	26,422	21,457	21,832	5,001	3,805	144	77,961
1975 including migration	27,523	22,367	20,646	5,101	3,915	149	79,701
1980 excluding migration	27,151	22,216	21,842	5,254	3,875	147	80,485
1980 including migration	28,417	23,478	21,252	5,404	3,950	163	82,664

Despite the population increase which it has experienced since 1950, the Community will have only a 10 % increase in its working population by 1980. This assumes that all the immigrants are adult workers. It would be anticipated

that for every 100 persons gainfully employed in 1980, there will be 148 'inactive', compared with 137 in 1965 and 128 in 1954.

Sources: *General Statistical Bulletin* 1967 No. 5 of the Statistical Office of the European Communities: "Demographic development in the Community countries from 1950 to 1965". *Social Statistics* 1967, supplement: *Employment 1965-1966*. *Annual Abstract of Statistics* 1967, British Central Statistical Office. Europe Université, Paris.

The Institutions of the European Community

History is full of proposals and treaties aimed at ending war and establishing orderly relations between states. Many of the proposals have involved the creation of federal, or supranational, institutions. They were, largely, the work of thinkers and philosophers, and were unacceptable to the statesmen and politicians in power. Those ideas which reached the stage of reality were all based upon intergovernmental treaties — the obvious examples in recent history are the treaties establishing the United Nations, the Council of Europe and the Organisation for Economic Co-operation and Development. These are all international organisations, in which each member state retains a right of veto and of withdrawal.

The revolutionary factor in the three European Communities is that they are the first attempt to move beyond intergovernmental co-operation and establish a supranational system regulating relations between states. Initially restricted to economic and social matters, this system is based on the rule of law.

It would be an exaggeration to say that the Community is a federal system. But its institutions do have certain federal characteristics. The Treaty of Paris which established the European Coal and Steel Community (ECSC) in 1952, and the Rome Treaties which established the European Economic Community (EEC) and the European Atomic Energy Community (Euratom) in 1958, provide a new type of decision-making system. This recognizes the legitimate rights and interests of the nation states, while at the same time providing for central institutions with sufficient powers, in the fields covered by the Treaties, to ensure that the interest of the Community as a whole is also taken into account. This Community interest is not necessarily the sum, or the lowest common denominator, of the various national interests.

Political science has not yet coined a new word to describe this new method of taking decisions in common. It is usually called simply the "Community method".

The Community has four main institutions: the Commission, the Council of Ministers, the European Parliament and the Court of Justice, which are common to all three Communities. The Parliament and the Court of Justice have always had this triple role, but originally each Community had its own Executive (ECSC High Authority, EEC and Euratom Commissions) and Council of Ministers. These bodies were merged into a single Commission and a single Council on July 1, 1967, as a first step towards a complete fusion of the Communities themselves, by means of a single treaty. Today the Commission and Council serve all three Communities, wielding the powers conferred on them by all three Treaties.

Under the Paris Treaty, the ECSC institutions were based on a clearly federal pattern: an executive branch, the High Authority, with real powers of decision over the coal and steel industry of the six countries; a Common Assembly, which at least looked like a legislature though in reality it was not; a Court of Justice, to ensure the rule of law in the interpretation of the Treaty and the acts of the High Authority; and a Council of Ministers, whose task was essentially that of harmonizing national policies with Community policy. Thus, in the fields of coal and steel the national govern-

ments had delegated part of their sovereign powers to the High Authority, which could take itself vital decisions on such important matters as prices, investments and anti-cartel rules, and which derived its income from the first ever supranational tax, levied on the annual turnover of coal and steel companies in the six countries. The balance of power thus lay decisively on the side of the "federal" Executive, the High Authority. The Council of Ministers, representing the national governments, was essentially a consultative body.

In the Institutions established by the two Rome Treaties in 1958, the federal elements were less evident. The Executive bodies of the EEC and Euratom were called, more modestly, "Commissions", and the balance of power lay with the Council of Ministers. The reason for the change was twofold. The momentum which the movement towards European integration had received from the Second World War and then from the Russian threat to West European security was already weakening. But equally important, the Paris Treaty is a very detailed document setting out precisely the mechanisms by which the Community should progress, and covering only two sectors of the economy, coal and steel. The EEC Treaty, on the other hand, is essentially a "framework" treaty, setting out only the

general aims of the economic union, but covering the whole range of the economy of the six countries apart from coal, steel and nuclear energy. It is not surprising that in these circumstances the governments were not prepared to delegate to a Community Executive such extensive power as in the ECSC.

The Commission

The Commission is the Guardian of the Treaties and of the Community interests as opposed to purely national ones. It consists of 14 members who must not seek or accept instructions from any government or other body. They are appointed for a four-year renewable term by the unanimous agreement of the member governments, but can be dismissed only by the European Parliament. This guaranteed independence of the Commission is an essential element in the Community system and one of the things which distinguishes it from the usual international organizations. The very independence of the Commission has in part given rise to some of the criticism that the Community is controlled by an essentially undemocratic and bureaucratic body. But in fact it is not the Commission but the Council of Ministers which has the ultimate power of decision—and each Minister in the Council is of course responsible to his own national government and Parliament. While the present situation is regarded by few as entirely satisfactory, an increase in the power of the European Parliament, as frequently advocated by the Commission and many others in the Community, would involve an extension of the supranational element in the Community which has so far not proved acceptable to all the member governments.

As mentioned above, the Rome Treaty is essentially a “framework” Treaty. It laid down fairly strict rules for dismantling internal tariffs and setting up a common external tariff, but beyond that—for the common policies on agriculture, transport, and so on—it merely stated the aim to be achieved. The institutions were given the task of working out and adopting the detailed policies. In this process the Commission has the right, and duty, of initiative. Thus for instance, the Treaty requires that a common agricultural policy be adopted before the end of the transitional period (January 1, 1970). It was the Commission’s task to work out, after consultation with all the relevant interests, detailed proposals to be placed before the Council of Ministers, which could accept or reject them.

If the Council rejects a proposal from the Commission, the latter must reexamine it and present a new compromise proposal. But the Council cannot amend a proposal itself. This power of initiative of the Commission constitutes one of the principal supranational elements in the Community method. It is out of this

dialogue between the Commission and the Council that all Community progress must grow.

Of the 14 Commission members, three are from each of France, Germany and Italy, two from Belgium, two from the Netherlands and one from Luxembourg. Most of them were formerly national politicians and Ministers. Four are Christian Democrats, four Socialists (including one former trade union official) and two Liberals. Others were previously senior national civil servants or diplomats. The Commission has a staff of some 5,000 officials, about one in ten of whom are engaged in the mammoth task of preparing and translating documents in the four official languages (French, German, Italian and Dutch) and often in English too.

The Council of Ministers

The Council of Ministers represents the member states and consists normally of one Minister from each, though the Ministers vary according to the matter under discussion—agriculture, transport, external relations and so on.

After the independence of the Commission, the other principal supranational element in the Community system is the possibility of majority voting in the Council. The authors of the Treaty rejected the unanimity rule which exists in the traditional international organizations and which would give to each member state, large or small, a right of absolute veto which could be used to block all progress. Yet a system of voting by simple majority was politically out of the question. Thus the unanimity rule remains for the most important decisions which affect most directly the vital interests of the member states—for instance, decisions on the harmonization of tax policy and on the admission of new members. But on most questions the Treaty provides for a system of weighted majority voting, in which the member states are allotted votes as follows: France, Germany, Italy—4 votes each; Belgium, Netherlands—2 votes each; Luxembourg—1 vote. This gives a total of 17 votes, and the majority required is 12. No one country has a veto, but two large countries, or one large and two small, can exercise a combined veto. Thus the relative importance of the different countries is recognized.

Many votes have already been taken by weighted majority. In practice, however, it is recognized that it would be inadvisable to outvote one of the major member states on a question which was clearly of vital national interest to it, even if this were permitted under the Treaty. The fact that the Community has to rely on the member states for enforcement of its decisions is also important in this connection.

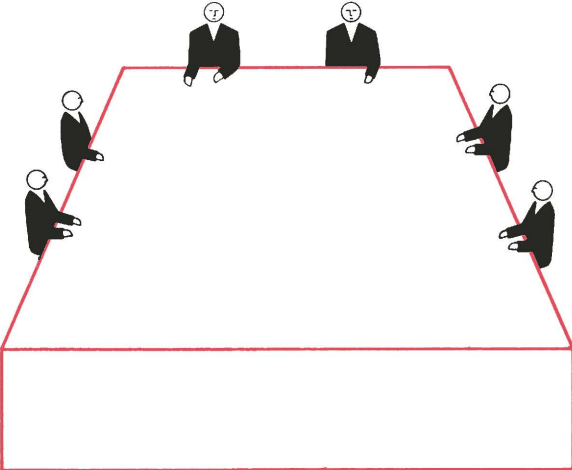
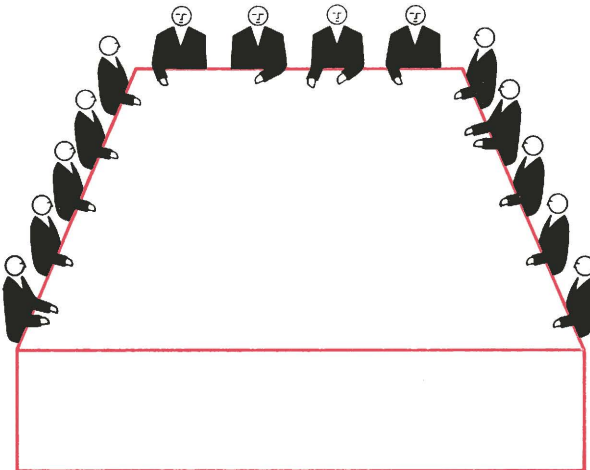
The issue of majority voting, along with the powers of the Commission and of the Parliament, was at the centre of the crisis which hit the Community in 1965. The French government withdrew from most of the

The Institutions of the European Communities

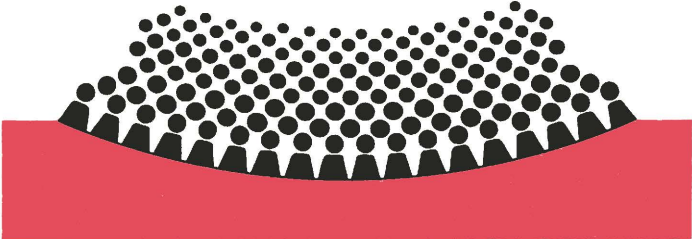
EXECUTIVE ACTION
Initiative—Decision—Implementation

European Commission

Council of Ministers



DEMOCRATIC CONTROL
European Parliament



JUDICIAL CONTROL
Court of Justice



Community Institutions from July 1965 to January 1966, demanding "a general revision" which would have weakened the limited supranational powers enjoyed by the Community. In the face of this, the five other governments adopted a common position in support of the Treaty and the Commission. The Six finally met again in a special Council meeting in Luxembourg in January 1966, and "agreed to disagree" over majority voting, but all acknowledged that the work of the Community must progress nevertheless.

The practice of the Community has, however, evolved over the years. The Council of Ministers has its own small secretariat, and is also aided by the Committee of Permanent Representatives. These are ambassadors accredited to the Community by the six governments, and they dispose of sizeable expert staffs. The Committee has come to play an increasing role in the decision-making process. When the Council is unable to agree upon a Commission proposal, the matter is frequently passed to the Permanent Representatives, who will try to resolve differences between the national attitudes and then report back to the Council. They also take some decisions themselves, usually on questions of technical detail, subject, of course, to endorsement by the Council.

The European Parliament

The European Parliament has 142 members appointed by the six national parliaments from among their own members according to the following scale: France, Germany and Italy—36 members each; Belgium and the Netherlands—14 members each; Luxembourg—6 members. The Treaty envisages that the Parliament shall eventually be elected by direct universal suffrage, but though the Parliament made proposals for this to the Council of Ministers in 1960, no decision has been taken on them, and the matter has since been in abeyance.

The Parliament must be consulted before any major policy decisions can be taken. Commission proposals are presented to the Parliament for an opinion before the Council can adopt them—but the Council may, and frequently does, ignore this opinion. The Parliament's only real power is that of dismissing the Commission *en bloc* as a result of a vote of censure by a two-third majority. This power is in practice too drastic to be of real use and has never been exercised.

Members of the Parliament also have a right to put questions to the Commission and the Council, and the Commission must present to it an annual report.

After agitating for direct election of its members in the early years of the Community's life, the Parliament has latterly directed its efforts more towards the achievement of some limited, but real powers of control, in particular over budgetary matters. This

was one of the issues at stake in the 1965 crisis, which began when the French government rejected a package proposal of the Commission which included measures to provide the Community with an autonomous source of funds (the proceeds of the common external tariff and the levies on imports of farm produce) to be controlled by the Parliament and the Council.

The European Parliament has its secretariat in Luxembourg but meets in Strasbourg. Its members sit in the chamber in political, not national, groups. There are four groups: Christian Democrat, with 60 members; Socialist, with 33; Liberal, with 25 and the European Democratic Union consisting of the 16 members of French Gaullist Party. In June 1968 there were 6 vacant seats. Voting in most cases has been on party rather than national lines.

The Parliament meets in plenary sessions seven to nine times a year, usually for a week, to debate Commission proposals, members' resolutions and reports from its twelve standing committees which examine all matters before the plenary sessions.

The Court of Justice

The task of the Court is to ensure the rule of law in the interpretation and application of the Community Treaties. Outside the areas covered by the treaties it has of course no jurisdiction. It reviews the lawfulness of the acts of the Commission, the Council and the member governments under the treaties. Appeals can be lodged by the Community Institutions, the national governments, firms or associations of firms, and in some circumstances by individuals. If an appeal is upheld, the Community regulation or recommendation is declared, in whole or in part, null and void. Decisions of the Court are directly applicable in all member countries. National courts may request a preliminary opinion from the Court of Justice if an issue of Community law comes before them.

The Court has its seat in Luxembourg. It is composed of seven judges, assisted by 2 advocates-general, all of whom are appointed by unanimous agreement of the member states for a six-year term. The Court sits either in plenary session, or divides into two chambers, depending on the nature of the case. The task of the advocate-general is to present, on each case before the Court, reasoned and impartial submissions which will be independent of the submissions put forward by counsels for the plaintiff and the defendant.

The Court procedure involves four stages: written submissions; investigation, i.e. cross examination of the parties, witnesses and experts, but by the Court, not by the counsels for the parties; oral proceedings, normally in public, during which counsels for the parties to the dispute, and the advocate-general, put forward their oral submissions. And finally, the judgment, delivered

in open court, but based on private deliberations by the judges. Between 1953 and 1967, 520 cases came before the Court, which had delivered judgment on 380 of them.

Advisory Bodies

The principle advisory bodies are the **Economic and Social Committee**, and the **Consultative Committee**. The former must be consulted before all major decisions are taken under the EEC and Euratom treaties. It consists of 101 representatives of workers', employers', consumers' and other groups. The Consultative Committee, with 51 members, carries out a similar task for the ECSC.

The following are the most important of the specialized committees which advise the Commission on particular subjects:

The Monetary Committee advises the Commission and Council of Ministers on monetary problems. It consists of government and central-bank officials and Commission experts.

The Short-term Economic Policy Committee aids the Six in co-ordinating their day-to-day economic policies with the aim of combatting inflation so as to ensure a steady, healthy rate of economic expansion.

The Medium-term Economic Policy Committee of national representatives and Commission members draws up an annual report on likely future economic trends in the six countries. The Community's five-year economic programme, revised annually, is based upon this report.

The Committee of Central Bank Governors meets to discuss credit, money-market and exchange matters, with a member of the Commission attending.

The Budgetary Policy Committee consists of leading national officials and aims to ensure that the member governments' budgets are compatible with Community policy and with the interests of their partners.

The Transport Committee of national officials and experts advises the Commission on transport problems. The Treaty of Rome requires a common transport policy to be adopted by 1970.

The Administrative Commission for the Social Security of Migrant Workers protects the interests of Community citizens working in a member country other than their own. It comprises national officials and representatives of the Commission.

The Nuclear Research Consultative Committee comprises government representatives, with the chairmanship and secretariat provided by the Commission. As its name indicates, it gives advice on matters concerning the Euratom research programme.

Financing the Community

The general budget of the Common Market is at present financed by contributions made by the member governments from their own national revenues, in the following proportions: France, Germany and Italy 28 % each, Belgium and the Netherlands 7.9 % each, Luxembourg 0.2 %. (For the governments' contributions to farm-policy financing and the Social Fund, the proportions are somewhat different.) However, the Rome Treaty foresees the possibility of the Community in future deriving an independent income from customs duties. Although the Commission put forward proposals for this in 1965, no agreement has been possible to date.

The Community also has a number of specialized bodies, with specific tasks, which are not financed out of its general budget.

The European Investment Bank, with a capital of \$1,000 million, aids investment in the Community's underdeveloped regions, mainly Southern Italy, and helps finance modernization and new economic activities of general Community interest. It is administered by an independent board of governors.

The European Development Fund (administered by the Commission) provides grants and loans for the underdeveloped countries with whom the Community has special links.

The European Social Fund (administered by the Commission) aids employment and mobility of workers within the Community; it finances, on a 50-50 basis with the government concerned, vocational retraining, resettlement and other aids, in order to ensure the re-employment of workers who have to change their jobs.

The European Agricultural Guidance and Guarantee Fund is responsible for all expenditure under the common agricultural policy; it covers market support (buying up and stock-piling surplus production), refunds on exports, and modernization of the production and distribution of farm produce. Administered by the Commission, the Fund's resources are at present provided partly by the levies on agricultural imports, which are collected by the national governments, and partly by direct contributions from the national budgets.

The Foreign Trade of the European Community: 1958 to 1967

The Community as a World Trading Power

Since its establishment in 1958 the European Economic Community has become the world's major trading power, being responsible for nearly one-fifth of world trade (excluding the Communist bloc and trade between the six member states themselves). Most of this external trade is conducted with other leading industrial nations, but the EEC is also the major market for the products of the developing countries of Africa, Asia and Latin America. It is at present the largest importer and, after the USA, the second largest exporter in the world.

The Community's share in world trade has increased at a greater rate than that of the other industrial nations (excluding Japan), the growth being greatest in imported goods. Imports rose by 90 % and exports by 85 % between 1958 and 1966. (See Tables 1 and 2.) The more rapid growth of imports has contributed to a series of annual deficits in the balance of trade, the largest occurring in 1963 (Table 3). This development has been partly due to the growing internal prosperity of the Community's members, and partly to such factors as the reduction by France and Italy of customs duties on imports from third countries as a result of the implementation of the EEC's common external tariff. These have been instrumental in increasing consumption of manufactured goods and imported raw materials.

Since 1963, there has been an improvement in the trade balance, culminating in a surplus in 1967. However, this trend was not expected to continue in 1968, as the British and American governments restricted expansion in order to meet their economic difficulties, and the Community countries took steps to expand home consumption. As a result, the Community's imports were expected to rise faster than its exports.

The Share of member states in the foreign trade of EEC

The differing sizes of populations and nature of resources of the member states is reflected in the differences in their contributions to the Community's external trade. Since 1958 the Federal Republic has had the largest—and an increasing—share in this trade and is the only member to have maintained a constant surplus balance during this period. (Table 4.) The most rapid expansion has been that of Italy, particularly in imports. The increases in the volumes of trade, both external and internal, are represented in Table 5.

The Community's internal trade

Between 1958 and 1966 trade between the six member countries has increased remarkably by 238 %, compared with a growth rate between all major industrial countries of about 64 %. This enormous growth, which is a response to the steady reduction in internal trade barriers, makes the increase in external trade (which has almost doubled) appear comparatively small. To some extent, too, the more rapid expansion of internal commerce can be explained as part of the general tendency for trade between industrial countries to develop more vigorously than that of the world as a whole.

The pattern of internal (intra-Community) trade shows the same inequalities and periodic fluctuations as is found in external trade. That is to say, despite a general increase in trade between the Six (a trend already strongly apparent before 1958) there remain wide differences in the orientation of these countries in trade between themselves and also with third countries.

The overall trade balances of the EEC countries, taken individually, include both intra-Community and external trade. In the Netherlands, a constant deficit occurs in both and, although Italy and the Belgo-Luxembourg economic union have been able to show positive results in the Community's internal trade, these were not enough to produce an overall surplus trade balance. France, although she achieved an external trade surplus between 1959 and 1961, has suffered a permanent deficit through the uneven development in intra-Community trade.

The Geographical distribution of external trade

An analysis of EEC trade with other countries (Table 6) reveals the close interdependence which exists between the manufacturing regions of the non-communist world. Over half the volume of the Community's foreign trade is with the indus-

trialised countries of the West and especially with the EFTA nations and the USA. The latter country is its most important single trading partner and enjoys a substantial surplus in its exchanges with the Six. The Community itself occupies a similar advantageous position vis-à-vis the EFTA members, with the sole exception of Great Britain (see Tables 7 and 8). British exports to the Community rose considerably faster than her imports from that source (133 % compared with 91 %). This growth in exports is a response to the Six's demand for manufactured products and the attempts of British industrialists first to anticipate membership, and secondly to offset the failure of Britain's application by increasing their sales within the Common Market.

The surpluses in trade with the EFTA countries are the most important factor in compensating for the deficits in trade with other third countries, especially the USA and the less developed regions.

Almost a third of the Community's trade is with these developing nations. The expansion of this trade since 1958 has, however, been at a slower rate than that with industrialised countries and, despite an increase in volume, the proportion relative to total trade has decreased. The exception to this trend is among the non-associated African States: EEC imports from these countries have increased sharply.

Trade with state-controlled economies was at the start relatively small in value. Although there has been a greater than average growth in this trade, especially with the states of Eastern Europe, the total proportion remains comparatively low. Despite a high increase in the Six's imports from these countries a positive trade balance has been maintained. This does not compensate, however, for a deficit in the Community's trade with the USSR.

Alterations in the trade pattern

There have been considerable changes in the proportions of the main groups of goods involved in the EEC's external trade between 1959 and 1966. The most obvious of these has been the sharp rise in trade in industrial products. Trade in primary products has expanded more slowly, and in some cases not at all. Both these trends are characteristic of world commerce in general (Table 9).

The main structural changes are to be found in the lists of imported goods. While imports of primary products rose by only 60 %, purchases of industrial goods rose rapidly (by 161 %). The difference is most striking when the declining proportion of raw materials is contrasted with the increase in motor vehicles and other manufactured products.

A similar though less marked shift of emphasis has occurred in exports. Here there has also been a relative decline in primary products (partly attributable to a fall in coal exports) and an advance in industrial products, notably chemicals, machinery and motor vehicles. Exports of these have doubled

in value since 1958 and this is the basic factor underlying the large trading surplus in industrial commodities which the Community recorded in 1966.

In the other major categories there has been an increased deficit in raw materials and in energy products (fuels). At the same time, there has been a decline in the proportion of foodstuffs exported, while food imports have increased (a disparate development favourable particularly to the USA). The net result of these changes is revealed in the 1966 trading accounts, where a large surplus on industrial products was not sufficient to counter-balance the deficit on primary commodities.

The significance of the Common Market's role in international trade is considerable, and developments amongst the Six have wide repercussions in world commercial activity. The policies adopted by the Community must therefore have a great influence upon future patterns of trade. Initial fears that protectionist measures might be implemented by the Six to the disadvantage of third countries have proved groundless. The sales of overseas products in the Community have continued to increase at a greater rate than in other markets and the common external tariff, which is being applied as from July 1, 1968, represents a more liberal customs structure than that of any other major nation or group of nations.

The importance and potential of the Community as the world's largest trader played a major part in leading the United States Congress to pass the Trade Expansion Act of October 1962, giving the American administration powers for five years to negotiate reciprocal tariff reductions with the Community and other major trading nations. The 'Kennedy Round' of talks, held under the auspices of the General Agreement on Tariffs and Trade, and in which the EEC countries were represented by the Commission, ended in 1967 with an average reduction in tariffs on industrial goods of 35-40 %. The cuts reduce the average incidence of the EEC, USA and UK tariffs from 11.7 %, 17.8 % and 18.4 % respectively to around 7.7 %, 11.8 % and 12.1 %.

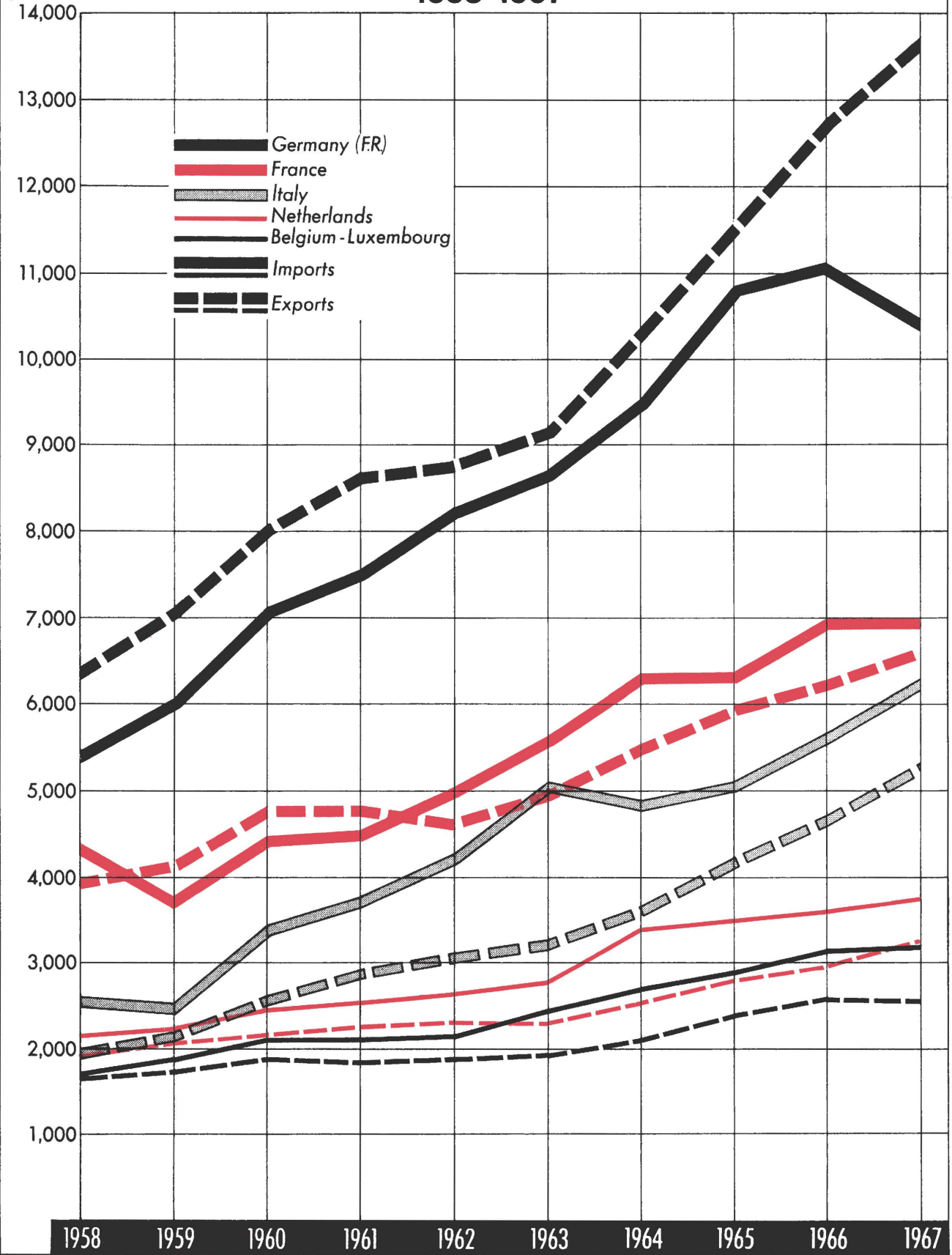
The success of the Kennedy Round talks did not extend to farm products in which agreements were limited largely to wheat prices and to a "food-aid" scheme. This lack of progress reflects the wide differences in farm policies and in attitudes towards subsidies between the Six and other important food-producing and consuming countries.

The large trade deficits recorded by the Community, especially in the years between 1962 and 1966, have not jeopardized the general movement towards a liberalisation in world trade. That this policy should be successful is of direct importance to the developing countries. Less directly, their interests are affected by the fact that the Community, which plays a leading role in providing aid and capital investment in these underdeveloped regions, can only sustain its assistance on the basis of a regular surplus in its trading accounts.

EEC COUNTRIES' TRADE WITH REST OF WORLD

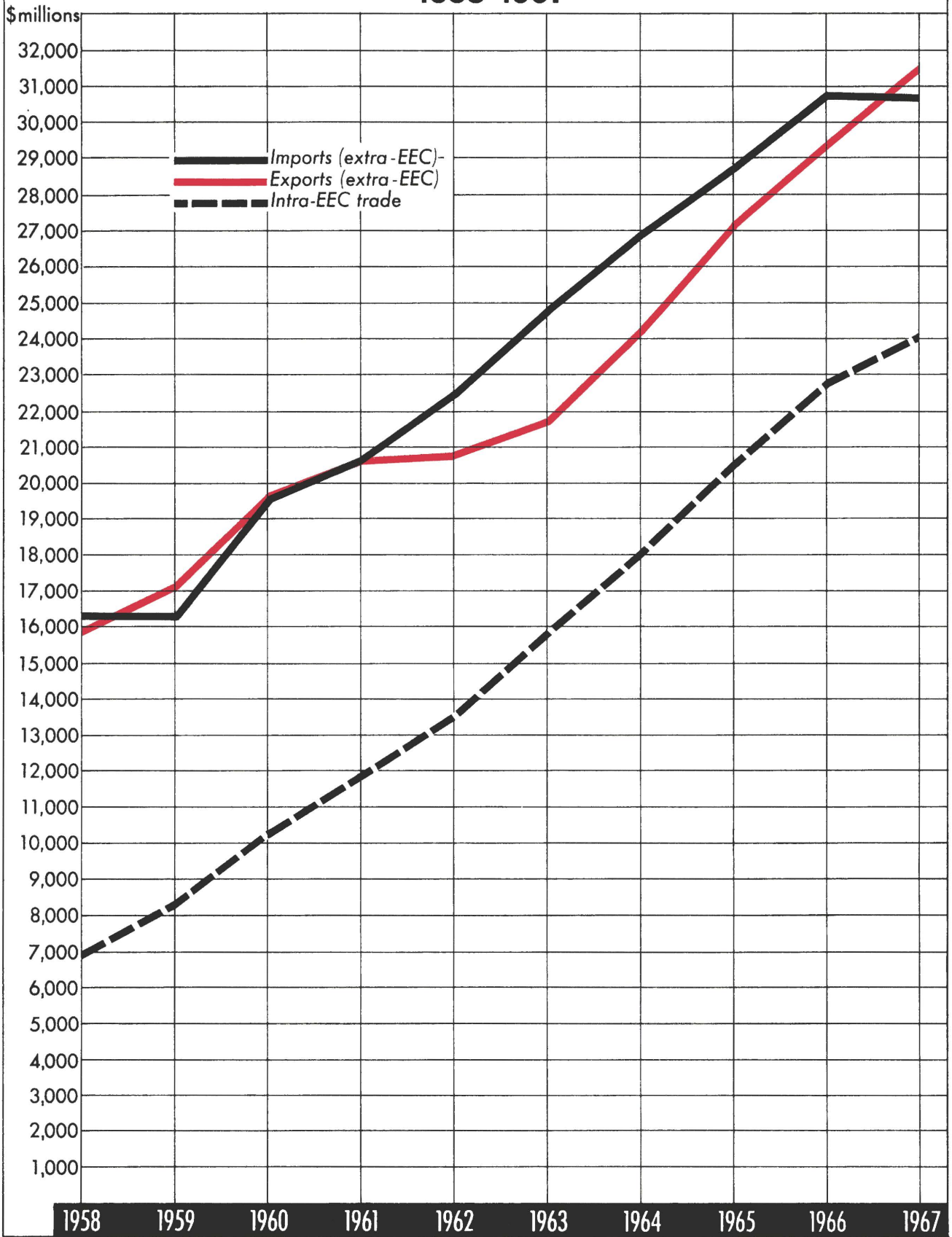
1958-1967

\$ millions



EXTERNAL AND INTERNAL EEC TRADE

1958-1967



Statistical Annex

Table 1 **Growth of world trade 1958-1966**

	World	EEC	EFTA	UK	USA	Japan
Imports	76 %	90 %	73 %	54 %	92 %	214 %
Exports	75 %	85 %	67 %	56 %	68 %	240 %

Table 2 **Annual growth rates of external trade: EEC and UK, 1958-1966 (%)**

	59/58	60/59	61/60	62/61	63/62	64/63	65/64	66/65	67/66
Imports									
EEC	+0	+20	+5	+9	+10	+9	+6	+8	+0
UK	+7	+14	-2	+2	+8	+14	+1	+3	+8
Exports									
EEC	+7	+14	+5	+1	+5	+12	+12	+9	+10
UK	+5	+7	+4	+3	+8	+5	+7	+7	+0

Table 3 **The Community's external trade—value figures and balances 1958-1966**

	1958	1959	1960	1961	1962	1963	1964	1965	1966
Imports									
£ millions	5,770	5,788	6,945	7,302	7,983	8,813	9,591	10,200	10,977
Exports									
£ millions	5,683	6,089	6,958	7,296	7,370	7,725	8,635	9,671	10,504
Exports as % of imports	98.5	105.2	100.2	99.9	92.3	87.6	90.0	94.8	95.6
Balance									
£ millions	-88	+316	+14	-1	-613	-1,089	-956	-530	-473

Table 4 **The share of member states in the EEC's external trade (in %)**

	G	F	I	N	B/L
1958					
Imports	34 %	27 %	16 %	13 %	10 %
Exports	40 %	25 %	12 %	12 %	11 %
1966					
Imports	36 %	23 %	19 %	12 %	10 %
Exports	44 %	21 %	16 %	10 %	9 %

G: Germany; F: France; I: Italy; N: Netherlands.
B/L: Belgium and Luxembourg.

Table 5 **Growth of external trade, 1958-1966 (%)**

	EEC	G	F	I	N	B/L	UK
Imports							
Intra-EEC	228	266	296	306	185	174	105 ^a
Extra-EEC	90	103	60	129	75	89	46 ^b
Total	134	145	112	176	121	129	55
Exports							
Intra-EEC	238	204	306	436	180	212	115 ^a
Extra-EEC	85	100	58	142	60	51	47 ^b
Total	131	129	113	212	110	124	56

^a UK trade with EEC.

^b UK trade with rest of world.

Table 6
External trade of EEC by economic zone (% shares)

	EEC Imports		EEC Exports	
	1958	1966	1958	1966
<i>Class 1</i>				
(Industrialised countries outside EEC)				
EFTA	22.2	23.5	31.2	33.9
UK	7.3	9.0	8.3	8.6
USA	17.3	19.5	10.4	13.9
Japan	0.7	1.7	0.9	1.4
<i>Class 2</i>				
(Developing countries)				
AOM (African and other associated countries/ territories)	9.5	7.4	11.7	5.8
Other African countries	6.4	7.9	5.9	5.2
Latin America	10.2	8.8	10.1	6.4
Asia	15.9	12.6	10.8	9.5
<i>Class 3</i>				
(State controlled economies)				
USSR	1.7	2.3	1.3	1.2
	100.0	100.0	100.0	100.0

Table 7
Increases in Community trade with the EFTA countries 1958-1966 (%)

	Switzerland	Denmark	Sweden	Norway	Portugal	Austria	UK
EEC Imports	111	48	96	88	77	63	138
EEC Exports	138	115	69	72	95	141	91
EEC trade surplus 1966 £ millions	447	143	63	83	81	259	-80

Table 8
Community balance of trade 1958-1966 (£ millions)

	1958	1966
<i>Total</i>	- 88	-473
<i>Class 1</i>	+ 40	+647
EFTA	+486	+985
UK	+ 49	- 80
USA	-409	-687
Japan	+ 8	- 41
<i>Class 2</i>	-250	-1,119
AOM	+112	-205
Other African countries	- 39	-310
Latin America	- 15	-295
Asia	-308	-381
<i>Class 3</i>	+ 68	- 18
USSR	- 24	-130

Table 9
The Community's external trade—proportions of main groups of commodities (%)

	1958		1966	
	Imports	Exports	Imports	Exports
<i>Primary products</i>				
Foodstuffs, drink, tobacco	25	10	21	8
Raw materials	30	4	24	4
Power products	17	6	15	4
Total	72	20	60	16
<i>Industrial products</i>				
Chemicals	4	10	5	12
Machinery and motor vehicles	9	32	12	39
Other manufactures and semi-manufactures	15	38	23	33
Total	28	80	40	84

Sources: *Le Commerce extérieur de la CEE 1958-66*, Commission of the European Communities, December 1967; European Community Statistical Office; British Central Statistical Office. Europe Université, Paris.

Select bibliography

The books included in this short list of recommended reading are among the latest and most useful—for the library, the lecturer, the teacher and the student.

I. Books on European integration and the European Communities in general

BARRACLOUGH, G., *European Unity in Thought and Action*. Oxford: Blackwell, 1963, 60 pp., 12s. 6d.

A well known historian stirs up the conflict of views about European integration and is generally thought-provoking.

BROAD, Roger, and JARRETT, Robert, *Community Europe: a Short Guide to the Common Market*. London: Oswald Wolff, 1967, 172 pp., 30s. (19s. 6d. paperback).

A great deal of useful information packed into a small space. The why, what and how of the European Common Market, from its genesis to October 1967.

CALLEO, David P., *Europe's Future*. New York: Horizon Press, 1965, 192 pp., 30s.

Explores the new relationships and institutions essential to a rational ordering of a Europe seeking to deal with itself, with America, with Russia and with the world at large.

CALMANN, John (Ed.), *A Handbook of Western Europe*. London: Anthony Blond, 1967, 750 pp., 7 gns.

A useful reference book of basic information on the geographical, economic, political and social structures of the W. European countries, their differences and points in common, and their efforts at closer integration.

CALMANN, John (Ed.), *The Rome Treaty—the Common Market Explained*. London: Anthony Blond, 1967, 75 pp., 15s. (7s. 6d. paperback).

A collection of essays by Anthony Burgess, John Calmann, Derek Prag, Roy Pryce and Pierre Uri, ranging from a brief analysis of the Rome Treaty to studies of the problems and prospects of political union and British membership.

CAMPS, Miriam, *European Unification in the Sixties*. London: Oxford University Press, 1967, 274 pp., 35s.

A detailed study by one of the acknowledged experts on Community affairs, of that turbulent period in the life of the Community between the Gaullist veto of 1963 and the French withdrawal from NATO in 1966.

CAMPS, Miriam, *What kind of Europe? The Community since de Gaulle's veto*. London: Oxford University Press, for the Royal Institute of International Affairs, 1965, 140 pp., 10s. 6d.

Examines with great insight the process of European integration during the years 1963 and 1964.

GLADWYN, Lord, *Halfway to 1984*. London: Columbia University Press, 1966, 89 pp., 29s.

A distinguished and experienced diplomat argues for a system of regional groupings to replace the outworn nation-state. A valuable study in perspective.

HALLSTEIN, Walter, *United Europe—Challenge and Opportunity*. London: O.U.P. paperback, 1962, 106 pp., 8s. 6d.

The history, role, accomplishments and future of the European Community, by the former President of the Common Market Commission.

KITZINGER, Uwe, *The European Common Market and Community*. London: Routledge and Kegan Paul, 'World Studies Series,' 1967, 226 pp., 28s.

A useful collection of the most important speeches, declarations and resolutions on European integration up to early 1966.

KOHNSTAMM, Max, *The European Community and its Role in the World*. Columbia: University of Missouri Press, 1964, 82 pp., 21s.

The author was the Secretary-General of the High Authority of the Coal and Steel Community. Direct, lucid and thought-provoking.

LAMBERT, John, PALMER, Michael, et al., *European Unity: A Survey of the European Organizations*. London: PEP and George Allen & Unwin, 1968, 519 pp., 63s.

A useful and fairly detailed reference work covering all the major Western European organizations.

ROUGEMONT, Denis de, *The Meaning of Europe*. London: Sidgwick & Jackson, 1965, 126 pp., 18s.

A brief but excellent analysis by a European scholar of the creative impulses and movements within the Continent from the time of the Europa legend up to the Common Market.

II. Books on specific aspects of European integration

BEEVER, Colin, *European Unity and the Trade Union Movements*. Leyden: Sijthoff, 1960, 303 pp., 331/—.

The most thorough analysis in English of the historical background and structure of trade unions in the EEC countries and the part they have played in the process of European integration.

BEEVER, Colin, *Trade Unions and the Common Market*. London: PEP, 1962, 4s.

Briefer but more up to date than Mr. Beever's larger book.

DELL, Sydney S., *Trade Blocks and Common Markets*. London: Constable, 1963, 293 pp., 25s.

An interesting account of attempts at economic integration and co-operation in Western and Eastern Europe, Latin America, Africa and S. E. Asia.

DENTON, Geoffrey, *Planning in the EEC*. London: PEP and Chatham House, 1967, 54 pp., 7s. 6d.

A brief account of economic planning in France and Germany, steps towards Community-planning and the implications of this for Britain if she joins.

DOSSER, Douglas and HAN, S. S., *Taxes in the EEC and Britain*. London: PEP and Chatham House, 1968, 46 pp., 7s. 6d.

A short and clear outline of the tax structure in Britain and the Common Market countries, of the attempts of the latter in the direction of harmonisations, and the implications for Britain.

EUROPEAN Community Institute for University Studies, *University Research and Studies on European Integration*. Brussels, 1967. Vol. 1, 175 pp., vol. 2, 339 pp.

Gives full details of all courses currently offered, and research undertaken, at universities throughout the world. Published annually, obtainable from European Community Information Service.

FORSYTH, Murray, *The Parliament of the European Communities*. London: PEP, 1964, 119 pp., 7s. 6d.

A short but clear account of the working methods, shortcomings and problems of the European Parliament.

HOLT, Stephen, *The Common Market: the Conflict of Theory and Practice*. London: Hamish Hamilton, 1967, 207 pp., 30s.

A detailed, but very readable analysis of how the Community Institutions work and how decisions are taken.

MAYNE, Richard, *The Institutions of the European Community*. London: PEP and Chatham House, 1968, 82 pp., 7s. 6d.

A short and very readable account of how the Community works—in theory and in practice—by a former Community official.

POIGNANT, Raymond, *L'Enseignement dans les pays du Marché commun*. Paris: Institut pédagogique national, 13, rue du Four, Paris 6^e, 1966, 319 pp.

A comparison of primary, secondary and university education in the six Community countries, the United Kingdom, the USA and the USSR.

REED, Laurance, *Europe in a Shrinking World—a Technological Perspective*. London: Oldbourne, 1967, 208 pp., 45s.

An analysis of, and argument for, technological co-operation among Western European countries.

STRANGE, Susan, *The Sterling Problem and the Six*. London: PEP and Chatham House, 1967, 70 pp., 7s. 6d.

Sterling's role as a world currency, the difficulties which it involves for British membership of the EEC, and possible solutions.

TRACY, Michael, *Agriculture in Western Europe*. London: Cape, 1964, 415 pp., 55s.

Outlines the development of farming in Western Europe from 1880-1962.

III. Publications of the European Community Information Service

The European Community Information Service has available at its London Office a selection of leaflets, booklets, maps and other visual aids, some general, some dealing with specific aspects of the European Community. Full details on application to:

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