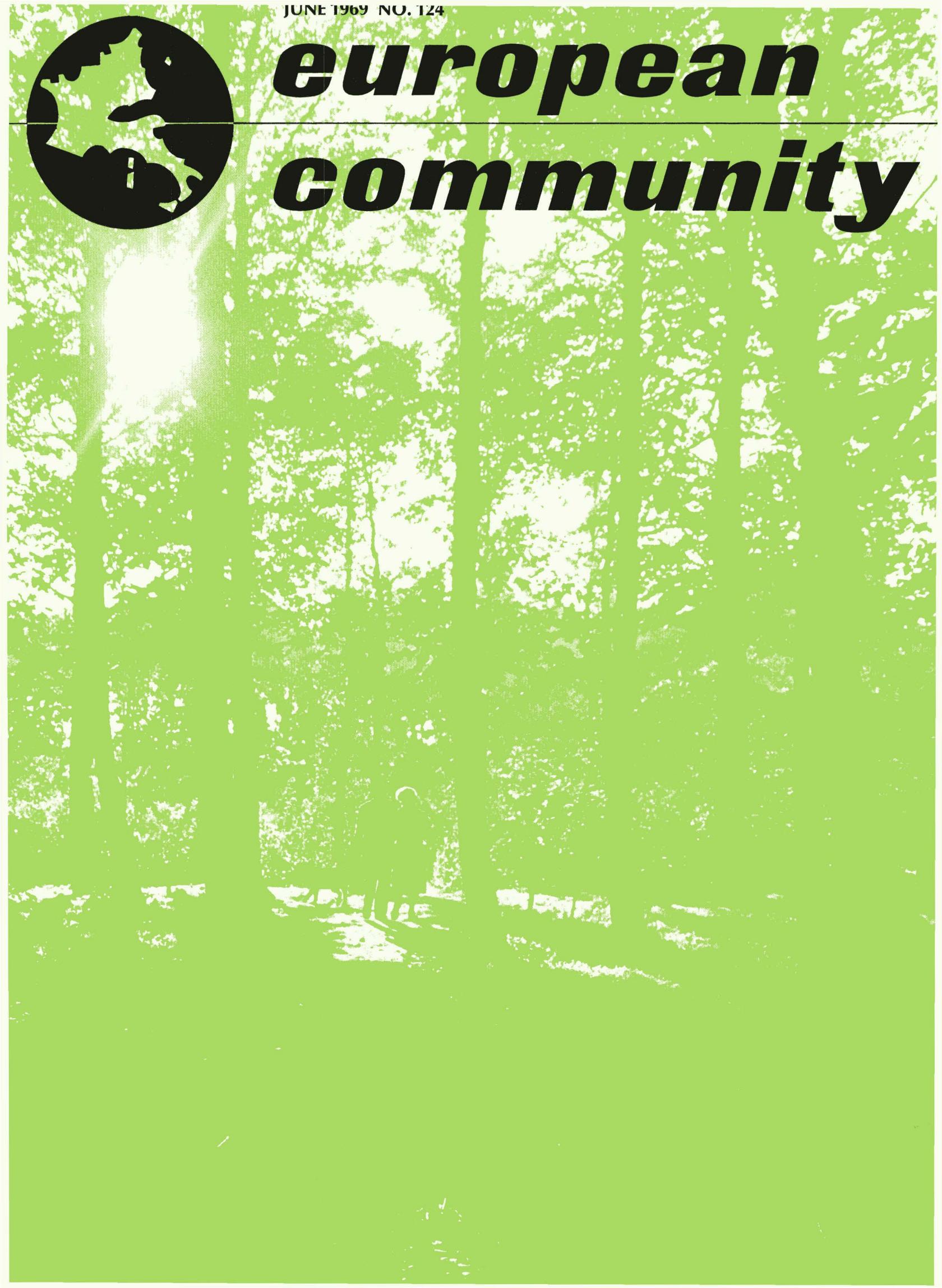


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# ***europaean community***



## CONTENTS

- 3** Rey Receives Honorary Degree from Harvard
- 4** Is Nordek Still On? *H. Peter Dreyer*
- 8** Clouding Disappears from European Beers *Leo Hepner*
- 9** European Breweries Merge *Vincent Jones*
- 11** Are Council Sessions Too Secret? *Emanuele Gazzo*
- 12** Wanted: More Students
- 13** Europe's National Parks *Jean-Paul Harroy*
- 17** Labor Puts European Unity High on Agenda
- 19** Eighteen and Six Near End of Negotiations for New Association
- 20** Mechanical Monitors to Replace Trucking Logbooks
- 21** Engineers Receive Guarantees
- 22** African Aid Commitments Total \$617 Million since 1964
- 23** Euratom Commissioner Visits United States
- 24** Plans to Assure Long-Term Nuclear Fuel Supply
- 25** Community Aids Air Pollution Research
- 26** Commission Receives Charlemagne Prize
- 27** Common Market Officials Visit United States for Trade Talks

COVER: City Park in The Hague. Courtesy of Netherlands Information Service, New York, N.Y.

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# Jean Rey Receives Honorary Degree From Harvard

*Jean Rey, President of the Commission of the European Communities, received an honorary Doctor of Laws from Harvard University at the 318th Commencement in Cambridge, Massachusetts, on June 12. President Rey was introduced as "a Belgian lawyer and political leader... President of the European Communities." Harvard President Nathan Pusey read the citation: "Jean Rey, Doctor of Laws, with patient, quiet skill, this international civil servant has fostered the movement toward an organized Europe in an era of obstructive divisiveness." Following are excerpts from Mr. Rey's remarks to Harvard alumni at a luncheon following the award.*

In this troubled time of our world, we must not overlook a truly great event of this century: the human and political reconciliation of the Western nations – the process of the unification of European nations under European institutions. After ten centuries of invasion, wars, bloodshed, and ruin, the Western countries together are building a peaceful continent. This event is of decisive importance in the history of the world.

We in Europe are going through the same evolution as you did two centuries ago. You had your Declaration of Independence; we had the Schuman Declaration in 1950. You had your Constitution in 1787; we had the Treaties of Rome in 1957. You were thirteen and now are fifty states. We began as six and now are in the process of joining with other European countries. You had the great dispute between the Jeffersonians and the Federalists – the quarrel between the advocates of the rights of member states and the advocates of the supremacy of the Union. We have the quarrel between the adversaries of supranationality and the European federalists.

You ended the construction of your Union at the cost of the Civil War. The so-called World Wars of 1914-18 and

1939-45 were our civil wars. Both were born in Europe, both were caused by the clash of European nationalism, and both, alas, eventually inflamed the planet.

The integration of Europe gives Europeans great responsibilities in the world. The European Community, even as it is now, before any future enlargement, is already one of the two greatest trading powers in the world. Our external trade is in volume and in value as great as the trade of the United States. So in some ways we share with you full responsibility for the conduct of the free world.

No trade arrangement, no monetary solution, no sound policy of development, can be a success without close cooperation between the United States and Europe. We share these responsibilities and so we must organize close cooperation in all these fields. The role of the universities in this "prise de conscience" is extremely important because they help form the conscience of the leaders of the world.

We share the same human ideals defined a half century ago by Nicholas Murray Butler, one of your great humanists, who said: "Free man endowed with a social and international spirit is the hope of the world."

# Is Nordek Still On?

## DRAFT TREATY FOR A NORDIC ECONOMIC UNION DUE IN JULY

by H. PETER DREYER

At first glance it might seem that General de Gaulle's departure from the political scene had ended the four Nordic countries' plans for strengthening their economic cooperation. After all, "Nordek," as the project is commonly called, has been the subject of negotiations by Danish, Finnish, Norwegian, and Swedish ministers and senior officials since early 1968, on the assumption that their road to Brussels would be blocked for the foreseeable future.

The Danish Government initiated the current round of talks so that these years of waiting should not be wasted. If the four Nordic nations stepped up their own integration, it might benefit them economically, facilitate their ultimate adjustment to the European Community, and enable them to meet more readily what Poul Nyboe Andersen, Denmark's Minister for Economic and European Affairs, recently described, half jokingly, as "le défi Européen." Nordek, both the Danes and Norwegians insist most vocally, neither is nor will be an alternative to their joining the Community as full members. Their applications of spring 1967 remain on the table. In that case, is there any point in proceeding with the Nordic effort when new perspectives might be opening in Brussels?

The answer to this cardinal question is unlikely to be forthcoming for another few months. Meanwhile, the change in Paris may give the Nordek debate a new slant and may also hasten a decision on Nordek's fate and scope — positively or negatively. The plan's still fairly numerous opponents have always argued that it was unnecessarily rushing matters. They have maintained that it would be better to wait for General de Gaulle's eventual disappearance from the political scene; the European situation would then clear up, and it would become evident whether the Common Market's doors would stay locked. Such pleas have not stemmed from a pure wait-and-see attitude but have reflected the fear that, despite all protestations to the contrary, the closer unity of the North's Four might ultimately estrange them from the Community's Six.

Europe's moment of truth is now approaching much faster than could have been anticipated only a few weeks ago. Although it will probably not come until late this year or even early 1970, it fits in well with the Nordic timetable. By mid-July, it was decided in March, high officials of the four countries are to have a draft treaty ready. From all available indications this target will be met, but action will then have to wait several months. Norway will have general elections in early September, and a few weeks later Tage Erlander will be replaced by a new Swedish Prime Minister. Consequently, indispensable political decisions cannot be expected until late fall or winter. About that time it may become clear whether Community policies on membership, and indeed on many other questions, have changed only in style or in substance as well.

Agriculture is the most formidable barrier. Denmark, sorely disappointed by the European Free Trade Association's failings in this sphere, insists on suitable arrangements for farm products. Copenhagen would find it next to impossible to consider any broad package that excluded a segment so vital for its economy.

*H. Peter Dreyer, European correspondent of the New York Journal of Commerce, has paid several visits to Scandinavia this year.*



*Oslo harbor, Norway. Norway and the other Scandinavian countries have long been shipping powers since they depend heavily on their foreign trade. Courtesy of the Norwegian Embassy Information Service, New York, N.Y.*



Denmark



Finland



Norway



Sweden

The chief trouble is, however, that while the other three countries may sympathize with such wishes, there are distinct limits to what they can do about them. For eggs, chickens, and cheese, to name only some produce, their markets could not possibly compensate Danish agriculture for losses occasioned by the European Community's common agricultural policy. Sweden, with its own highly developed agriculture, might cut down its self-sufficiency rates by a few percentage points to admit more Danish products. The three others could allow Denmark some preferential treatment for the farm goods they have to import anyway. Yet all these actions together would probably not be enough to satisfy the Danes.

There has been substantive talk about creating a joint fund of perhaps \$150 million per year. Half of this budget might be used to promote structural agricultural reforms in all four countries; the other half, to subsidize sales of Danish produce in world markets — along the lines of the Community's agricultural fund.

At this stage, the negotiators, vying for position, are not prepared to put all their cards on the table. It is therefore impossible to say now whether such a solution would satisfy Denmark's needs to the point where it would, in exchange, accept the principle of a common external tariff (CET) on which the Swedes insist. Danish, and Norwegian, industrialists are sharply opposed to this part of Nordek, however much they may favor many of its other aspects. Because Danish and Norwegian manufacturers import raw materials at nil duties, they enjoy a slight edge in third country markets over their Swedish competitors who pay moderate duties on steel and many other basic commodities. The rate harmonization implicit in a CET would cancel out this advantage. It might also deprive Danish and Norwegian companies of the privilege of importing, free of duty, products not manufactured in their respective countries, as the items in question might well be available in Sweden.

### Summit Meetings

Aside from whatever happens in Brussels, it will be far from easy for the Nordic governments to reach agreement. All four administrations strongly identified themselves with the drive for Nordic union, and the prime ministers staked much of their political reputation on the success of a series of summit meetings early this year. In the Nordic Council, members of parliament from all four nations, and in some cases the opposition parties, have come out in strong support. Popular opinion is generally favorable, the more so perhaps because a first attempt made in the 1950's failed.

Yet no single government has committed itself so irrevocably that it could not back out; nor must the many obstacles — specific and material, as well as political and emotional — be overlooked. United as the four nations like to appear vis-à-vis the outside world, their attitude towards one another is not free from resentment and suspicion, partly founded in their past history. Their orientation in world politics also differs. Many Norwegians, for instance, fear that too close an affiliation to neutral Sweden might compromise their own strong attachment to the North Atlantic Treaty Organization. Similarly, the three Scandinavian kingdoms must be on their guard lest the contents of the agreement upset the delicate balance

that Finland maintains between its Nordic brethren and the powerful neighbor in the East [the U.S.S.R.] from whom the final word on Nordek has not yet been heard.

Since earlier this year, the overall mood has shifted. The publicity and noise of the summit conferences have given way to a more tranquil atmosphere. Although officials keep meeting almost around the clock, it rarely makes the papers, let alone page one. On the other hand, there seems to be less of an "all or nothing" attitude than there was even as recently as last January. The feeling now is that the current effort will produce something more than a mere institutional shell, something that could be built upon further.

### Common Policies

The current endeavor encompasses joint commercial policies and a common external tariff, a common policy for agriculture and fisheries, economic and industrial (including nuclear energy) policies, an education policy, and the creation of joint funds and a common capital market. However, the report that



Forestry provides Sweden with about 30 per cent of its export income. Courtesy of the Swedish Information Service, New York, N.Y.

senior officials submitted last January after several months of intensive negotiations made it clear that on many issues full agreement is still a distant objective.

Behind such arguments also lies the fear – specifically stated by some and tacitly understood by others – that Swedish industry, often more advanced and stronger financially and technologically, might stage massive take-overs of companies in the other countries. (Their anxieties, though less acute, are not dissimilar to the attitudes of Canadian and European business towards U.S. investments.) Stripped of such imponderables which are not negotiable in any case, the Danish and Norwegian objections to the CET are perhaps less convincing in practice than on paper. First, it has already been

*Fishing boat loaded with herring. Since fishing is one of the traditional industries in Scandinavia, the Four would probably welcome good arrangements on fisheries should they join the Community. Courtesy of the Swedish National Travel Office, New York, N. Y.*



*A modern drilling machine makes two blasting holes at a time in an LKAB iron ore mine, Kiruna, Sweden. Behind Danish and Norwegian arguments against a Nordek common external tariff, "lies the fear...that Swedish industry, often more advanced and stronger financially and technologically, might stage massive take-overs of companies in the other countries." ©LKAB Fotograf. Courtesy of the Swedish Information Service, New York, N. Y.*

agreed that for critical products (among them, steel and chemicals) tariff harmonization would be put off for many years. Second, the advantage that, for example, a Danish importer of steel has over his Swedish competitor need not be equal to the duty paid by the Swedish importer of steel against the latter. Often, the exporter assumes part of this charge so that the real differential may be decidedly smaller.

Should there be a CET at all? Thanks to EFTA these four countries now operate without internal tariff walls. Their basic rate structures are not poles apart. Couldn't they manage as well without harmonizing external duties?

One answer, perhaps a shade ingenious, is that if the four countries cannot even agree on a common tariff, they probably won't be able to agree on anything else. A second answer lies in the symbolic significance of a CET (a point often made in Brussels in past years): its emphasis on the group's unity vis-a-vis the outside world.

The Swedes, in particular, regard the CET not only as a prerequisite for building up larger industrial units within the Nordic market but also as a basic requirement for any future dealings with the European Community. Advocates in Sweden, as elsewhere, cite their experience during the final stages of the Kennedy Round tariff negotiations under the General Agreement on Tariffs and Trade. Just as the joint Nordic front then produced superior results in the four countries' GATT bargaining (a conviction not shared by everybody), the CET will improve the North's position in any negotiation with the Community, whether on membership, commercial arrangements, tariffs, or other trade barriers.

#### **Benefits for All**

If European integration on a larger scale remains difficult, intensified Nordic cooperation should provide specific advantages to participants. Denmark could receive agricultural advantages. Sweden could get the CET and some assurance,



presumably worth paying handsomely for, that the country would not be isolated if the Danes and the Norwegians became full members of the European Community and Sweden did not. For Finland, any strengthening of ties with the three Scandinavian nations would be valuable. It is not quite so easy to see what specific benefits Norway would receive. A good arrangement on fisheries would be welcome but would probably be as difficult to achieve as a comprehensive agreement on farm produce. Financial assistance for Norway's regional development and industries, mainly through a Nordic investment bank, and more liberal access to the Swedish capital market might be the answers.

Right now, these comments are speculative, as is the prospect for Nordek altogether, given the suddenly uncertain outlook for European integration. If, within the next six to twelve months, it appears that the road to Community membership is as arduous as ever, it will reinforce the case for an extensive Nordic undertaking. If, on the other hand, the door in Brussels opens, or Copenhagen and Oslo believe it is ajar, neither country will want to go ahead with such critical issues as the CET or make decisions in agricultural policy that before long would have to be changed again to fit in with the Community's policy.

Nevertheless, there could still be significant progress on some less controversial aspects of Nordic cooperation without provoking the Community, the United Kingdom, or the United States, which the formation of a solid and far-reaching Nordic economic union might well do. For the Community, such a group might make future bargaining sessions tougher. Britain might object because a Nordic union could establish a countervailing force to the United Kingdom's dominant position in EFTA. The United States might be concerned because political gains might not offset economic discrimination and because the four countries might drift farther from their Atlantic orientation.

On the other side of the scale, though, is the fact that the Nordic countries together constitute one of the world's most prosperous markets. Anything like Nordek presumably would enhance their economic strength and well-being and generate new investment, sales, and other business opportunities for the outside world in general and the principal industrial and trading nations in particular. Because the North's twenty million people do enjoy such a high standard of living, which in turn is reflected in their huge import markets, anything they do to further their integration must command the interest of all other nations.



Danish glass artist Christer Holmgren, Copenhagen. © Willy Hansen. Courtesy of the Danish Embassy.

Scandinavian designs, such as these, have established their position in the American market.



Silver sauce set by the Swedish silversmith Bengt Liljedahl of Stockholm. Courtesy of the Swedish Information Service, New York.

Salad bowl with spoon and fork, designed by Kay Bojesen of Copenhagen. Courtesy of the Danish Embassy.



# Clouding Disappears from European Beers

by LEO HEPNER

To the layman, the production of beer is surrounded by a mystical aura, particularly in Europe where the art of brewing reaches back to the dawn of civilization. In olden days beer was usually produced in local inns where innkeepers generally brewed beer according to their own jealously-guarded recipes.

With the advent of the industrial revolution, and the resultant drift to the cities in the eighteenth century, large central breweries began to be built. At the same time, such famous beer cities as Munich, Burton-on-Trent, and Pilsen became renowned for their breweries. Even then, beer was produced for local consumption only – it was rarely transported to other places, mainly because it did not keep very long.

In the last 25 years, however, beer has become one of Europe's most popular drinks, for old and young, causing pre-war distinction between Northern beer-drinking and Southern wine-drinking countries to diminish rapidly. Beer consumption statistics in 1967 show that Germany still led in Europe with 28 gallons a head, followed closely by Belgium with 27 gallons a head, and the Netherlands, with 9.7 gallons. In France and Italy, with 9.0 and 2.4 gallons a head, respectively, beer-drinking is rapidly increasing.

## Larger Breweries

European brewers have often been reproached for their reluctance to assimilate modern scientific techniques. This conservatism has been attributed to their unwillingness to try new processes that might prejudice the quality and flavors of their beer. The growing popularity of beer, however, has forced brewers to build larger and more efficient breweries, which in turn, has caused a revolution in brewing processes. As a result, the European brewing industry is slowly changing from a craft base to a technological base.

The raw materials used in brewing are malt, to which a small proportion of other cereals, such as wheat or corn, is usually added. These cereals are ground to a specified fineness and mixed with hot water (mashed). The extract is boiled with hops and this product is known as wort. The wort, with added yeast, is then passed into fermenters.

Differences between British and continental practice become significant during fermentation. British ale is fermented at the temperature of its surroundings and, at the end, the yeast rises to the top. Continental lager, on the other hand, is fermented at a few degrees above freezing and the yeast settles to the bottom.

After fermentation, the beer is filtered to remove yeast and other impurities, and is then stored for maturation. British ale is stored for only a few days, whereas continental lager is stored for several weeks. Finally, the product is carbonated and put into kegs, bottles, or cans. All stages of this process, from malting to the final bottling, are closely interrelated; and, to ensure that the beer is up to the highest specifications, its quality must be controlled continuously throughout processing.

## Beer Analysis

The European Brewing Convention has helped to coordinate standardization and research in brewing. Founded in 1947, the Convention brings together brewers from European countries to standardize brewing procedures. All Western European

countries, except Iceland, are members of the Convention. Its committees and working parties have proved particularly valuable. One of these is the Analysis Committee which tries to promote agreement between member countries on beer analysis – a formidable task in face of the different brewing systems used in Britain and continental Europe. Another is the Barley Committee, which examines varieties of malting barley to consider their suitability for both the farmer and the brewer. To make this study possible, committee members have established trial fields in their own countries. Varieties of barley are grown in control conditions and their malt is then compared.

Hops are in a different position from barley, as only six of the countries in the Convention grow hops on a large scale, while several other European hop-growing countries are not affiliated with the European Brewing Convention but belong to the European Hops Growers' Association. A liaison committee on hops has been established between the two organizations to compare varieties of hops grown in the various countries. The working group on yeast has examined the performance of different strains of brewing yeasts and has become especially involved in preventing infection in breweries – usually caused by wild yeasts and various types of bacteria. The haze group deals with means of preventing cloudiness or haze in beer. It is largely thanks to the painstaking work of this committee that cloudiness has all but disappeared from European beers.

## German "Purity" Laws

There is no doubt that the Convention – one of the first pan-European organizations – has been singularly successful in attaining its original aims. Though it is not part of the European Community, work done as a result of the Convention will make it easier for the Community to arrive at standard rules for beer production in the member countries.

Here, there is a cardinal difference between the Germans and the other five. Because of their "purity" laws, German brewers are legally prohibited from using anything but natural products in beer. They may use only malted barley and not other cereals, such as wheat or corn; and they are not permitted to use chemical additives during brewing which improve such things as stability and foam head.

## A Respected Mediator

If the six Community countries were to try to set common standards for a "European" beer (even for the simple purpose of harmonizing excise duties on this beverage), they might have to decide whether or not to adopt the German attitude to beer manufacture, which would probably be unacceptable to the Belgians, Dutch, and the French. It might then be sensible to ask the European Brewing Convention for advice. With its twenty years' experience in developing brewing standards acceptable to all its members, it should be a unique body to adjudicate, and its views would surely be respected by brewers everywhere.

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*Dr. Hepner is editor of Process Biochemistry, a British journal that deals with the brewing, food, pharmaceutical, and sewage purification industries.*



*A horse drawn beer wagon, the traditional way of delivering beer in Germany, crosses the Old Main Bridge in front of the Marienberg Castle, Wurzburg. ©Pictorial Parade, Inc., New York, N.Y.*

## European Breweries Merge

by VINCENT JONES

The brewing industry in the European Community is gradually becoming more concentrated, and more international.

The greatest degree of concentration has taken place in the Netherlands, the least in Germany. Foreign penetration in the Community has meant primarily an infusion of German capital into Italian breweries and of British capital into the Belgian and Dutch brewing industries.

### **Belgium and Luxembourg**

Belgium and Luxembourg combined have about 275 breweries in operation today, compared with about 3,400 in 1913. During the past 20 years breweries have disappeared at the rate of about 25 a year. Although the current number still seems high compared with the combined Belgian and Luxembourg

population of ten million, 108 of them are very small and produce only about 2 per cent of total output. An additional 144 breweries produce about 30 per cent, while the ten largest produce about 65 per cent. The biggest Belgian concern, Brasserie Artois of Louvain, has been carrying out a consistent policy of absorption; and today the group produces just under 30 per cent of all beer brewed in Belgium.

British brewers, in particular Whitbread, have been bottling beer in Belgium for many years. In 1960, British beers represented 60 per cent of all imports; but by 1967 the figure had

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*Mr. Jones is editor of the International Brewers Journal published in London.*

dropped to 42 per cent, the principal reason being the entry of the British as brewers.

The British brewery Watney Mann bought the Delbryere brewery at Châtelet about two years ago and then early in 1968 acquired 83 per cent of the stock in Vandenheuvel of Brussels. Vandenheuvel has an interest in three other breweries and in an important soft-drinks factory. Thus, Watney Mann became one of the leading groups in Belgium with about 6 per cent of the market. The small independent Wandsworth brewery, Young & Co., signed an agreement a year ago with Pied-boeuf, second largest in Belgium, for Young's beer to be brewed in Ostend and sold in 4,000 Belgian pubs.

#### Netherlands: Beer Drinking Increasing

In the Netherlands there are now only 30 breweries, compared with 76 in 1946. Consumption per head, on the other hand, is increasing very fast: from nearly 4 gallons in 1964 to 9 gallons in 1967. The two biggest breweries, Heinekens and Amstel, have just merged and together now control about 55 per cent of the market. They have extensive foreign interests, including an investment in Italy.

Britain's Allied Breweries took over the Oranjeboom brewery of Rotterdam in 1967 and acquired De Drie Hoefijzers of Breda in 1968. These acquisitions gave Allied about 20 per cent of the market. Oranjeboom also has interests in Spain.

#### France: Second Largest Beer Producer

Wine-drinking France has seen a fairly steady increase in beer production since the war, and its total output now stands second to Germany's in the Community. Its beer consumption per head, however, is still the lowest, except for Italy. The number of breweries has plummeted, from 956 in 1939 to 144 in 1967.

During the past five years one group has reached a dominating position, the Société Européenne de Brasseries Champigneulles. Formed on the basis of the former Brasserie Champigneulles, it now incorporates 16 companies with 22 breweries. With an annual output of about 120 million gallons, it controls about 30 per cent of total production. The big Alsatian family brewery, Kronenbourg of Strasbourg, produces about 10 per cent; the Brasserie de la Comète Bière with four breweries, about 5 per cent; and the Union des Brasseries Parisiennes with three breweries, about 4 per cent. Thus, four groups control about half the trade.

#### Germany: Six Large Breweries

German brewers continue to proclaim that there is no real concentration in their industry. At face value, their assertion might seem true, because there are still 1,900 breweries for a population of 60 million. In fact, more than a quarter of these are small breweries which in 1966 together accounted for less than 0.6 per cent of output. On the other hand, the number of breweries producing more than 10 million gallons a year rose from 16 in 1962 to 24 in 1966, when they represented a third of total production.

As yet, there is no truly national beer market in Germany; but there are about six big groups which dominate and could become national concerns: Oetker, Dortmunder Union, Henninger, Schultheiss, Holsten, and Beck. Together these six account for about a sixth of total output.



A worker in a bottle design shop at the Brasserie de Ghlin, Ghlin-lez-Mons, Belgium

It would, however, be wrong to conclude from these figures that the German brewing industry is on the verge of total concentration. Many small and medium breweries with local and regional trade will survive for a long time; but at the upper level the trend towards concentration will increase, spurred by sharp price competition resulting from a comparative leveling out of sales.

#### Italy: New Beer-Drinking Country

Italy is the only Community country where the number of breweries has actually increased, from 32 in 1947 to 39 in 1967. Italy is a comparatively new beer-drinking country. Consumption per head, though low — about 2.4 gallons a year — has nearly doubled in the last ten years. Though several smaller old-established breweries remain in production, output is dominated by one group, Peroni, whose seven breweries supply nearly 30 per cent of the market.

An important aspect of the growth of the Italian brewing industry is the incursion of German brewing groups. Since 1962, Oetker has built four breweries under the name Prinz Bräu and has so far won about 7 per cent of the market. Henninger has also invested in Italy, but on a smaller scale, with participation in two breweries. Heinekens of the Netherlands has an interest in the Metzger group formed in 1961, which produces about 18 per cent of total output.

Britain's stake in Community brewing is likely to increase. It seems certain that the interest of Watney in Belgium and of Allied Breweries in the Netherlands is only the beginning of a development which will spread to other countries, probably even to Germany. The explanation is simple: the big British brewing groups, because of their enormous properties, are financially far more powerful than brewers elsewhere and today their biggest field for expansion lies overseas. They have also been encouraged by the growing popularity on the Continent of imitation British pubs selling British beer. "The Winston Churchill" in Paris and "The Queen Victoria" in Brussels seem to be becoming an essential part of the local scene.

#### BREWING IN THE UNITED STATES — 1967

Number of breweries	176
Production	3,613,484,000 gallons
Per capita* consumption	26.27 gallons
of which, imported beer	0.16 gallons

\*Population over 18 years of age

Source: U.S. Department of Commerce

# Are Council Sessions Too Secret?

by EMANUELE GAZZO

“Democratize the European Community” has become a slogan, an implicit recognition that for the moment, at least, the Community is not democratic. Democracy means first and foremost the right to control by the people and the exercise of power through a representative body – a parliament that reflects the will of the people. To be effective, control culminates in the right to remove an administration from office and play a part in choosing its successor.

The institutional structure of the Community clearly does not meet this definition of democracy. The institutions include a Parliament, but it neither directly reflects the will of the people nor can it exercise power or control those who do. Power is shared between two institutions that are not directly responsible to the European Parliament: the Commission, which proposes policy, and the Council, which has the power to pass proposals into law and to make any changes it considers appropriate. In theory the European Parliament can remove the Commission from office, but this action would not necessarily result in a change of policy. Recently, a German Christian Democrat member of the Parliament, Heinrich Aigner, exclaimed during a debate on technology and nuclear research: “If only we could impeach the Council of Ministers which is responsible for this situation, we would; but all we can do is impeach the Commission.”

This situation is well known to those with an “inside” view of the Community, but it is doubtful whether the public, even the informed public, is aware of it. Some people do not realize that the Council is in practice accountable to no one. Perhaps to public opinion? The Council may go before the Parliament, but its relations with it are not exactly democratic.

## Absence of Control

Democracy also means properly informing the public. The people have a right to know how and why those in power (and supposedly under their control) make decisions that affect their lives. The absence of effective parliamentary control in the Community makes all the more important the free flow of information. Often it is solely through the press that any democratic control can be exercised. Unfortunately, members of the European Parliament sometimes complain that the press misuses so-called “secrets,” instead of thanking newsmen for providing them with information that Parliament would not otherwise have obtained.

The integration of Europe is being conducted under a blanket of mystery despite its impact on Community citizens. Journalists who have tracked down and published information, right from the beginning, on the laborious work of constructing a European Community have often discovered that the obstacles to public information through the press are often in the same places as the obstacles to Community democratization.

Council proceedings are secret, even to the Parliament. The Council can amend or even abandon Commission proposals on which the Parliament had been asked for its opinion, and which the Parliament had helped to prepare.

While cabinet meetings in any country are secret, govern-

ments publicly justify their decisions before their parliaments. However, after a Council decision each minister reports to his government, and that’s that. In these circumstances, the Commission gives wide publicity to the proposals it puts before the Council to ensure that its position is known.

## Facts Blur Perspective

People may wonder if Council deliberations can be called “secret” when both the Council itself and the representatives of each of the six member governments issue press releases after each Council meeting.

In the case of the member governments’ releases, what actually happens is that six different sources release information intended for the exclusive benefit of their fellow countrymen. Though accurate as far as it goes, this information presents the facts only from a single country’s point of view. A correspondent of a newspaper published in Munich, Rome, Amsterdam, or Paris may, perhaps understandably, be satisfied by his own minister’s “explanation,” in his own language and in a familiar context. To tell the story objectively, however, journalists also need the overall view, perspective gained by ascertaining the facts by methods akin to cross examination. The facts must not be controlled.

The Council press conference, given by the minister who has presided over the meeting, sounds like a good opportunity for journalists to ask questions. In practice, however, the presiding minister of the Council usually reads the Council’s press release, gives a sparse commentary on it, and then answers questions, more adroitly than amply. There are, of course, exceptions to this procedure, such as occurred on September 27 last year at the end of the debate on the enlargement of the Community. Instead of reading the Council press release, Giuseppe Medici, who was then Italy’s Foreign Minister, repeated word for word the summary of the debate that he himself had made during the meeting. By doing so, he gave a clear and striking picture of that important session.

Official press conferences arouse little enthusiasm, and when Council meetings end, Community officials can be seen trying to recall from the corridors journalists who would rather pursue ministers from their own countries. Until the situation improves, the democratic functioning of the Community will depend to a large extent on the determination and objectivity of a well-informed press.

*Council press conference given by German Minister of Economics Karl Schiller, who had presided over the meeting.*



*Emanuele Gazzo is editor-in-chief of Agence Europe, a daily news bulletin on European affairs published in Brussels in English, French, German, and Italian.*

# Wanted: More Students

Despite widespread overcrowding in the Community's schools and universities, a study\* by the European Community's Statistical Office suggests that the school and university population of the Community is too small rather than too big.

Some 16 per cent of the Community's population – 30 million out of 182.5 million inhabitants – were attending full-time courses at schools and universities in 1966. Since 1958, the number of scholars and students has gone up twice as fast as the total population. Yet the figure of 16 per cent was still relatively low compared with Japan and the United States, for example, where the equivalent proportion is between 22 and 25 per cent.

The proportion varied between the six member states. In 1966, the Netherlands ranked first (19.8 per cent), followed by France (19.2 per cent), Belgium (18.0 per cent), Italy (15.4 per cent), Luxembourg (15.0 per cent), and surprisingly, Germany in last place with 13.9 per cent. Thus, whereas France had 9.5 million inhabitants in schools and universities, out of a total population of just under 50 million, Germany had 8.3 million out of nearly 60 million.

Perhaps a slightly more accurate picture emerges if part-time education is taken into account. This system is especially widespread for apprentices in the Netherlands and Germany. Including part-time education and training for apprentices, the order was: the Netherlands 22.2 per cent, Belgium 19.8 per cent, France 19.2 per cent, Germany 16.7 per cent, Luxembourg 15.7 per cent, and Italy 15.6 per cent. The Community's statistical experts hope to devise a means of making part-time and full-time education more exactly comparable.



Although six is the obligatory school-starting age in all the Community countries, the minimum school-leaving age varies: 14 in Italy, Belgium, and the Netherlands; 15 in Germany and Luxembourg, and 16 in France – compared with the minimum age of 18 in most of the United States. In fact, an increasing proportion of children stay at school beyond the minimum age.

There is a clear trend in some Community countries towards greater full-time education. In 1958, 77.3 per cent of all those receiving an education in Germany were doing so full-time; by 1966, the proportion had risen to 82.8 per cent. In the Netherlands, the percentage increased from 96.4 to 98.2, and in Luxembourg from 94.2 to 95.2. There was no change in France (99.7 per cent) or in Italy (100 per cent) while in Belgium there was a slight fall from 92.6 to 91.8 per cent.

## Education and Living Standards Not Always Related

The study also indicated that the number of children who voluntarily stayed in school often reflected social conditions. In 1965, the percentage of 14-year-olds attending school full-time was 94.6 in Luxembourg, 86.3 in Belgium, 85.5 in the Netherlands, 80.8 in Germany, 74.4 in France, and 55.0 in Italy. This suggests that although child employment is illegal in Italy, many poorer Italian families had to send their children to work, part-time. But Germany had the lowest proportion of 18-year-olds still studying. For Belgium this proportion was 32.1 per cent, for France 26.3 per cent, Italy 21.4 per cent, the Netherlands 19.9 per cent, Luxembourg 18.9 per cent, and Germany 13.6 per cent.

For 22-year-olds, however, the order was different: Germany led with 8.6 per cent, followed by Luxembourg (7.6 per cent), Italy and Belgium (each 6.9 per cent), France (6.3 per cent), and finally the Netherlands with 6.1 per cent.

Among the conclusions suggested by the study is that a country's educational level is not necessarily directly related to its living standards: France as well as the Netherlands are on the whole ahead of Germany. In terms of economic resources, Italy is the Community country which has made the greatest effort. Significantly, one country, Japan, has surpassed all the Community countries in expanding its education and is now approaching, proportionately, the United States. In 1964, 80 per cent of Japan's boys and girls between 14 and 18 were in school – about double the Community percentage.

## France Has Most Foreign Students

The same study reveals that in 1966-67 there were about 67,000 foreign students in Community universities – about 4.5 per cent of the total student population. Most of them – 30,477 students – were in France. Until 1960-61, more than half of them came from France's former colonies; today 14 countries, led by Tunisia (2,360) and South Vietnam (2,220), send more than 500 students. Germany and the United States each provide more than 2,000 and Britain, more than 1,000.

In Germany, there were 22,068 foreign students in 1966-67, about 8 per cent of all students in German schools.

Italy had 7,439 foreign students, more than double the number ten years earlier. In the last five years, in particular, the stream has risen, following the Italian Government's policy of granting more scholarships, especially to students from developing countries. During the preceding decade, the number of Africans studying in Italy increased five times, of Asians eight times, and of Americans and Europeans two times. There has been a marked tendency for foreign students to study medicine and technical subjects.

Belgian universities had 6,022 foreign students in 1967-68, 10 per cent of the total number of students, and about three-and-a-half times as many as ten years earlier. About 2,400 came from other parts of Europe (some 760 from Luxembourg and the Netherlands).

The Netherlands in 1966-67 had 1,330 foreign students – only 1.8 per cent of the total. Presumably language was the major deterrent, as 288 of the total came from Indonesia alone. The medical and scientific faculties were the most popular.

Luxembourg has no university providing degree courses.



# Europe's National Parks

by JEAN-PAUL HARROY

Densely populated and highly industrialized, Europe has understood for a long time that areas of "undisturbed nature" had to be preserved. It created nature parks and wildlife sanctuaries to give people, especially city dwellers, a chance to spend their steadily lengthening leisure time outside in fresh clean air and greenery. In addition, Europe acted to save certain kinds of local animal and plant life from extinction — the bear, for instance. Finally, marking off protected areas served another purpose: preservation in the wild or semi-wild state of some natural ecosystems<sup>1</sup> which biologists were interested in studying and which would have disappeared soon after exploitation and occupation by man.

At the request of the United Nations, the International Union for the Conservation of Nature (IUCN) put its international Commission for National Parks in charge of compiling the "United Nations List of National Parks and Equivalent Reserves."<sup>2</sup> The United Nations won international acceptance for the IUCN definitions of what ought to be considered a national park or an analogous reserve, and they were presented in September 1968 at the Intergovernmental Conference on the Biosphere in Paris.

Very briefly, for recognition as either a national park or an equivalent reserve, a territory must:

- have a strict statute for the protection of wild life — no hunting, fishing, woodcutting, cultivation, animal raising, or subsurface exploitation, such as mining.
- not be too small — at least 1,250 acres in Europe
- have a certain minimum number of personnel and a minimum budget.

A "national park" must be administered by the central government of a country and be open to the public. An "analogous reserve" could be a locally or privately owned park, or a park that admitted visitors only for scientific study. Naturally, not all territories promoted as "national parks" meet the international definition, usually because their statutes of protection are not strict enough. Conversely, protected areas that are not called national parks could meet that definition exactly.

Out of the entire world, the U.N. List selected 1,205 areas that met the internationally accepted criteria, or met them closely enough. Of these, 349 are in Europe (excluding the U.S.S.R.) and cover about 7,000,000 acres in all, an area about the size of Belgium. Eighty-three of these areas covering 1,440,500 acres are within the Community. Seven Communist countries (Albania, Bulgaria, Hungary, Poland, Rumania, Czechoslovakia, Yugoslavia) have 114 parks covering 1,285,000 acres. Spain with 3 parks covering 64,250 acres and

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*Professor Harroy of the University of Brussels is president of the International Commission for National Parks. In 1965, he was chairman of the Council of Europe's Committee of Experts which proposed the creation of a European Diploma for Conservation.*

Finland with 24 parks covering 471,980 acres make up the balance.

In the Europe of the Six, two countries' protected lands fulfill the IUCN definition of national park especially well: Italy's and the Netherlands'. France recently created three national parks whose statute for protection, while not very strict, was still considered adequate for their inclusion in the U.N. List. Belgium has some small reserves, while Luxembourg does not appear at all on the world list. Germany has remarkable legislation for assuring nature conservation but has rarely considered it necessary to create sanctuaries protected by a strict statute. Thus, Germany has no national parks — efforts to create one in Bavaria have failed so far. As in the case of France, the IUCN criteria had to be loosely interpreted to put about twenty German *Naturschutzgebiete* on the world list, besides the two excellent *Naturschutzparke*. Luneburg Heath and Siebengebirge.

On the other hand, in its creation of green zones intended for public use, Germany is a model, equaled by the United Kingdom and now imitated by France. In these areas, human activities, particularly agricultural (farming, stock raising, woodcutting, hunting, fishing), are carried on, while industrial and residential incursions are strictly regulated or limited. Tourism is encouraged in these areas and organized so that it repays the inhabitants for economic sacrifices caused by limitations on industrialization and urbanization. Germany has about 35 such *Naturparke* covering more than 4,940,000 acres, almost exactly comparable with Britain's 10 national parks (3,400,000 acres). Britain's famous Peak District National Park, though excluded from the U.N. List because of its insufficiently stringent statute of protection, was still the first European sanctuary to receive the Council of Europe's Diploma for Nature Conservation. The new French system of "regional nature parks" has as its objective similar achievements.

#### The Result of Private Initiative

The origins of Europe's nature preserves vary from one country to another; but, with the exception of Italy, private interests usually took the initiative. Italy's large national parks resulted from government initiative: Stelvio (236,314 acres) founded in 1935, Gran Paradiso (138,382 acres) founded in 1922, and Abruzzo (72,060 acres) founded in 1923.

The Netherlands typifies the private approach to the creation of national parks, with a number of parks inaugurated as early as 1900 by the Vereeniging tot Behoud van Natuurmonumenten and its leading promoter, P.G. van Tienhoven.

A little later, in 1909, the Verein Naturschutzpark created the beautiful preserve Luneberg Heath, south of Hamburg, another recipient of the European Diploma. In Belgium, it was the private Ardenne et Gaume association that broke the official torpor and opened the way for the creation of Belgium's first nature preserves of the Crown in 1957.

France owes two of its oldest and best reserves to non-governmental organizations. The Camargue reserve, another recipient of the European Diploma, was founded in 1928 by the Société Nationale d'Acclimatation (now known as the Société Nationale de Protection de la Nature). The bird sanctuary of Sept-Iles, which became famous after the black seas of the *Torrey Canyon* disaster, was founded in 1912 by the Ligue



Top: A flock of flamingos in the Camargue wildlife preserve, France. *Co Briar Park, Belgium, is a nature park of sandy dunes surrounded by moors,*





of the Council of Europe, Strasbourg. Bottom: The Kalmthout Natural  
and stands of fir trees. Courtesy of Belgian Information Service, N. Y.



Francaise pour la Protection des Oiseaux.

The private sector in the United Kingdom has also won distinction for pioneering efforts in wildlife conservation. Among the leaders might be mentioned the National Trust (founded in 1895), the Society for the Promotion of Nature Reserves, the Royal Society for the Protection of Birds, and the County Naturalists Trusts.

#### Some of Europe's Finest Parks

Even after excluding the magnificent Swedish, Polish, Swiss, and other national parks outside the Europe of the Six, it is still hard to select a few parks especially deserving of mention from among the 83 parks and reserves in the Community that appear on the U.N. List. I hope to be forgiven for merely using as examples the parks I like best.

In Germany, I agree with the Council of Europe's choice of Luneberg Heath National Park, a wonderful countryside covered with heather and juniper and more spectacular for its flora than for its fauna. Tens of thousands of remarkably well-behaved tourists visit this 50,000-acre park each year.

In Italy, the European Diploma was awarded to the Abruzzo National Park, but my preference always goes to the Gran Paradiso because its statute of protection is, on the whole, better enforced despite great difficulties. In typically alpine surroundings — a peak 13,323 feet high, hills covered with pines, and meadows — tourists who are not afraid of a jaunt in the mountains can watch large game animals that still abound: mostly chamois and ibex.

In France, I again agree with the Council of Europe's choice: the three official national parks and the Camargue zoological and botanical reserve (23,144 acres) in the southern part of the Rhone Delta. Thousands of flamingos and so many other birds live in the low although, perhaps, monotonous vegetation that tourism in the Camargue is developing in a disturbing way for the integrity of the sanctuary.

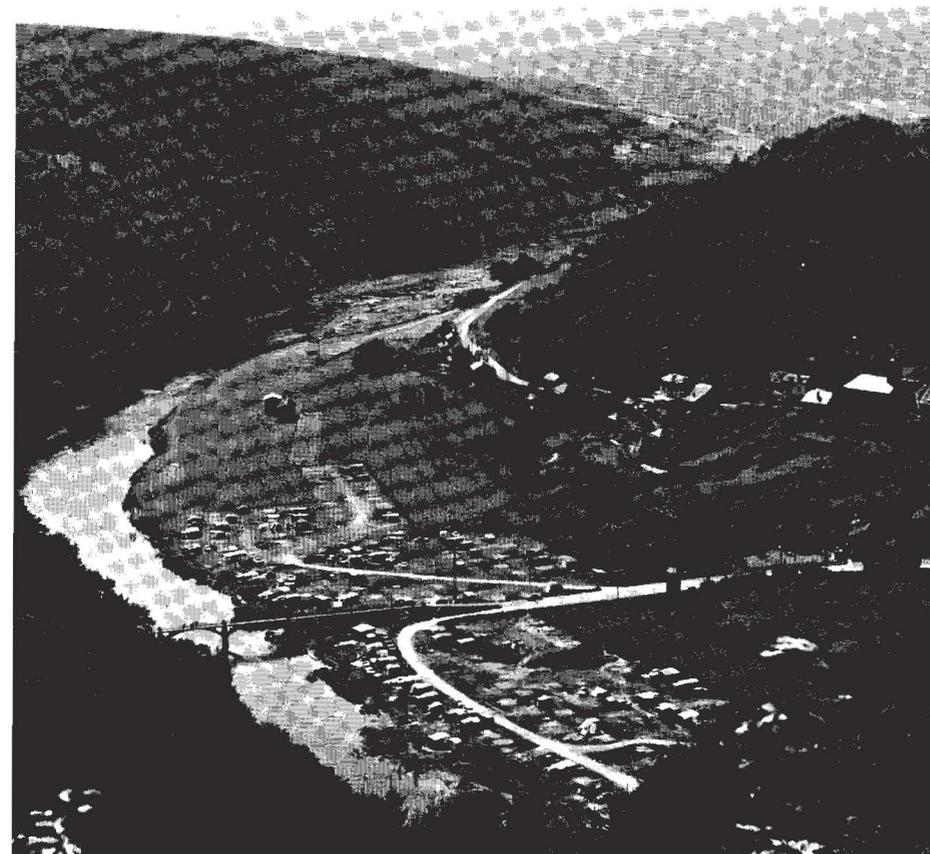
Oddly enough, the Council of Europe has not yet awarded a Diploma to a park in the Netherlands, perhaps because it is so hard to select one. Nevertheless, a memory of an IUCN technical meeting in 1951 brings back to mind the dunes, sand, and beaches of Boschplaat (10,873 acres) on the Frisian island of Terschelling. Other favorites come to mind, too: the teeming banks along the Zwarte Meer (Black Lake — 13,590 acres), formed as the Northeast Polder was reclaimed from the sea, or the *slikken* and *schorren* of Texel Island (7,413 acres), a wonderful shelter for migratory wading birds.

Belgium really only has one important reserve, the Hautes Fagnes nature reserve of the Crown (8,444 acres) which is also a recipient of the European Diploma. Here, numerous *fagnards*, or swamp hikers, still move about as they always have, enamoured of these vast peatbogs with a climate reminiscent of regions bordering upon glaciers.

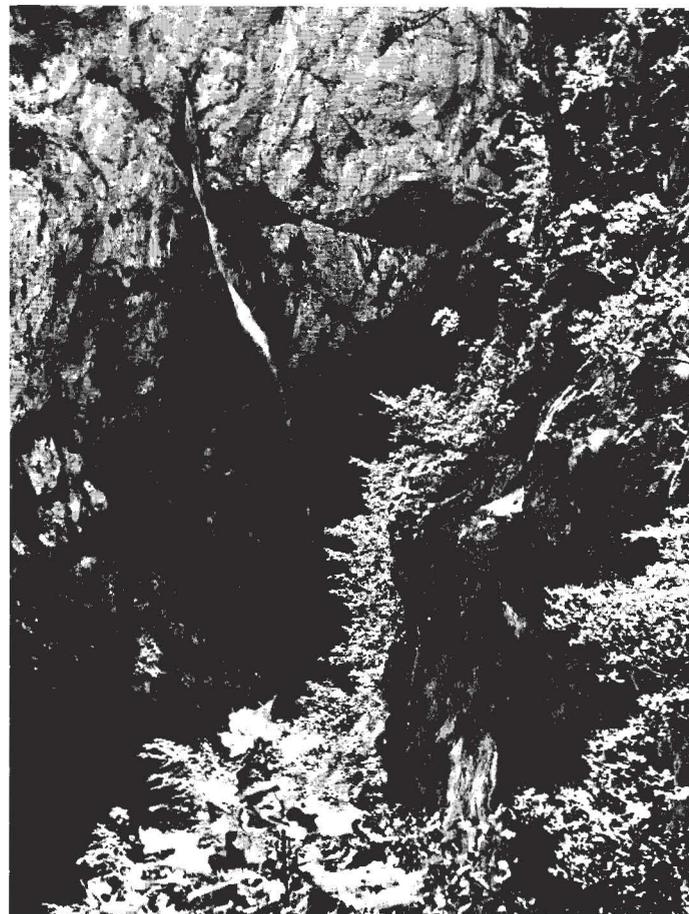
#### The Future of Nature Reserves in the Community

Actually, there are all too few national parks and nature reserves in the European Community, and they are too small to provide the services which are demanded each year with ever increasing intensity by the inhabitants of the Six.

To meet these shortcomings, Germany has created its *Naturparke*, and the Netherlands has achieved much the same thing with its land-use policy. France is beginning to copy Germany,



*Unprotected forests surround this village and camp site on the Semois River in Belgium. Courtesy of the Belgian Information Service, New York, N.Y. Bottom: The Hautes Fagnes nature preserves in Belgium, a recipient of the Council of Europe's European Diploma for Conservation. Courtesy of the Council of Europe, Strasbourg.*



*The National Park in Abruzzo, Italy, is another holder of the Council of Europe's Diploma.*

and Luxembourg already has by creating an 85,000-acre park.

In addition, an attempt is being made to improve international coordination in the field of national park and nature reserve creation; but, oddly enough, the Community authorities are not promoting these efforts and hardly seem concerned with the problem. Not even the Council of Europe is really involved and seems to have limited its activities in the field to awarding a Diploma of Honor periodically. If there is any intergovernmental contact at all at the regional level, it is due to the initiative of the Commission for Nature Reserves for the Ardennes and the Eifel and the Hamburg Naturschutzpark and its president, Alfred Toepfer. Each year, the Hamburg Naturschutzpark sponsors a productive international conference to coincide with the association's general assembly. The organization was also instrumental in the creation of the Germano-Luxembourg nature park and is working hard, despite the obstacles, to have similar Germano-Belgium and Franco-German parks created on the frontiers.

1. The distinctive association, or interaction of plants and animals and their physical environment.
2. The French edition, containing 550 pages, was published by Hayez in Brussels in 1967. The English edition, with the same publisher, is now being printed.

# Labor Puts European Unity High on Agenda

The main work of labor unions is still performed at local and national levels – improving pay and conditions through collective bargaining, taking up grievances and defending individual union members – but some important Community-level activities have also sprung up. These supplement rather than replace the unions' basic bread-and-butter functions.

At Community level the unions play their part in two main ways. First, national delegates and permanent secretariats meet regularly to coordinate policies and activities. Secondly, unions seek to influence Community policies, either through their representatives on official Community bodies or through less formal channels, mainly the union secretariats that are in contact with Community officials. Because of their complex structure, the unions' Community-level action is perhaps less effective than it might be.

Labor unions in Western Europe are split into three camps, which may be broadly denoted by the international organization to which they give allegiance:

- Unions with Social-Democrat leanings are affiliated with the International Confederation of Free Trade Unions (ICFTU).
- Unions with Christian-Democrat leanings are affiliated with the Confédération Internationale des Syndicats Chrétiens (CISC) or International Federation of Christian Trade Unions. (The CISC has recently changed its name to World Confederation of Labor [WCL] as part of its policy of trying to appeal to all workers.)

- The Communist-oriented unions are affiliated with the World Federation of Trade Unions (WFTU).

France has one national labor union center affiliated with each of these internationals; Germany, one very large ICFTU-affiliated national center and a very small Christian-affiliated center; Italy, two ICFTU-affiliated national centers (though one of them is of Christian orientation) and another affiliated with the WFTU; Belgium, one ICFTU and one Christian national center; the Netherlands, one ICFTU and two Christian national centers (one Catholic, one Protestant); and Luxembourg, one ICFTU and one Christian center.

This split of the national labor movements in Europe, two or three ways along political and religious lines, reduces their effectiveness in negotiations with employers and governments. Each national center in these countries has its own group of affiliated trade unions, on an industry-by-industry basis, so that in any particular industry it is common to have two or three organizationally opposed unions performing the same functions in parallel. However, it can be argued that two or three unions with fundamentally the same interests – whatever their confessional or political tag – may be just as effective in negotiation as unions divided along trade or arbitrary lines.

## Broadly United

The same divisions exist at Community level, but with far less serious consequences. The ICFTU and the Christian unions together represent the great majority of organized labor in the Six and they are broadly united on questions of European policy. They cooperate closely at Community level although they maintain separate representative organizations and liaison offices. Three of the long-standing Community objectives of

these two groupings have already been achieved: the merger of the executive institutions, the speeding up of several economic provisions of the Rome Treaty, and the free movement of labor between Community countries.

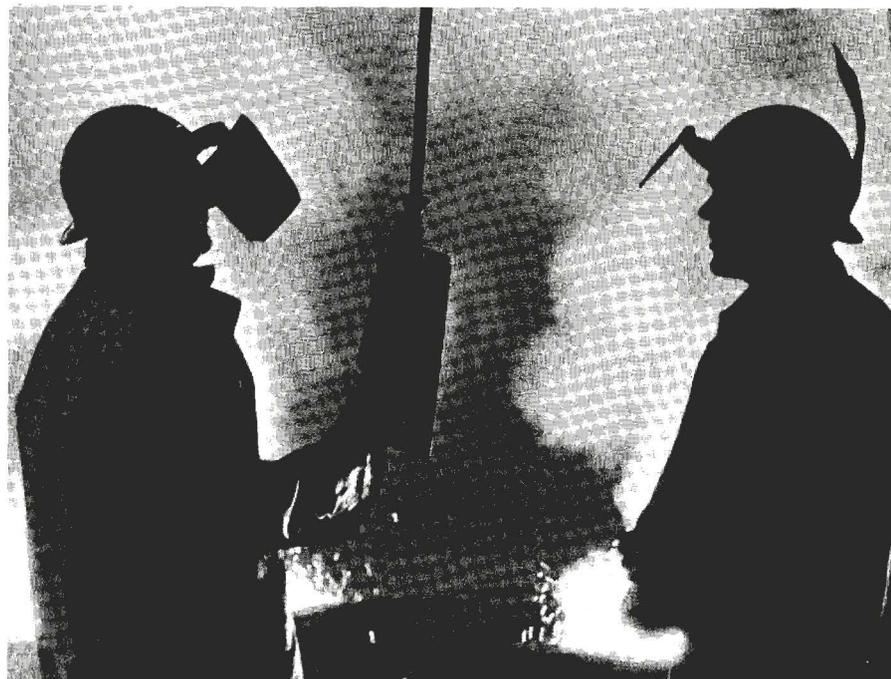
Other major objectives which they have pursued together for at least ten years in their enthusiasm for European integration are:

- rapid extension of the supranational aspects of the Community
- a strengthened European Parliament
- a political Community
- more rapid upward social harmonization and higher priority for social policies
- improved labor union representation on Community bodies
- improved operation of the European Social Fund
- inclusion in the Community of as many other democratic Western European countries as possible.

## Closer Liaison

The coordinating body of the ICFTU unions in the Six, known as the European Community Trade Union Secretariat (ECTUS), headed by Théo Rasschaert, has invited labor unions in some applicant countries for Community membership (including Britain's Trade Unions Congress) to send representatives to ECTUS meetings, now known as the European Union of Free Labor Federations. A group of European Free Trade Association countries has set up its own Secretariat in Brussels, with a British labor leader, Ian Graham, as Secretary. One of its primary functions is to promote closer liaison with unions in the Common Market. Britain, Sweden, Norway, Denmark, and Austria are the members of this EFTA-TUC, as it is called. The Swiss declined to take part and Portugal, having no labor unions, was ineligible.

The Community's Economic and Social Committee is the





chief official body containing labor representatives which comprise one-third of the total membership, but the unions are also represented on various specialist bodies, dealing with day-to-day issues, such as provisions for workers to take advantage of the regulations allowing free movement of labor. The 14-member European Commission also contains one labor leader – Germany's Wilhelm Haferkamp – but like all other Commission members he is there as an individual and not to represent any particular interest.

Labor representation, particularly on the Economic and Social Committee, is usually decided according to the relative strengths of each member country's unions, other than those dominated by the Communists. Until recently, the Governments of Italy and France – the only countries with large Communist-oriented unions – declined to nominate Communist labor leaders. This situation is now changing. France's Communist-oriented trade union federation, CGT, and its Italian counterpart, CGIL, opened their own liaison bureau in Brussels in May 1967, having previously been cool towards the Community. They now want official representation in Community institutions, beside the other unions, to voice their wishes directly, instead of continuing to criticize from the sidelines. The other union internationals, especially the ICFTU, with whom an historic bitterness still prevails, are not

at all pleased with this move and decline the cooperation which the WFTU unions offer. The ICFTU maintains that WFTU organizations lack genuine independence and are more politically than industrially motivated.

#### **Communist Exclusion**

Meanwhile, both the Italian and French Governments have nominated representatives of their respective Communist labor federations for two specialist consultative bodies in Brussels. So far, the Council of Ministers has not considered the nominations, and the Communist unions therefore remain officially outside the Community framework, but their exclusion could end soon. Earlier this year, their leaders met for the first time Commission President Jean Rey and other Commission members at Commission headquarters in Brussels. Last month the Commission announced that it officially recognized the CGT-CGIL committee which will probably lead to Communist participation in a tripartite conference of workers, employers, and members of the Commission. The meeting was suggested by the Commission to discuss employment and other social questions. Now that the Communists have seats in the European Parliament, it is more probable than ever before that they will also sit on the Community's consultative bodies, including the Economic and Social Committee.

#### **Community-wide Collective Agreement**

A significant development was the signing in June last year of the first Community-wide collective agreement, in agriculture. Agricultural unions affiliated with the ICFTU and CISC and Community farmers' organizations agreed on a five-day, 45-hour week for certain farm workers. As yet, the agreement is not binding, but it may become obligatory. Another straw in the wind was the first meeting, in 1967, of union and management representatives of the international Philips electrical group at the company's headquarters in Eindhoven, the Netherlands, to discuss the impact of the company's international rationalization policies on its workers. Both labor and management agreed to keep in contact at this level.

Though neither of these steps represents international collective bargaining in the fullest sense, each is an encouraging beginning. It is likely to be some years before regular working conditions in industry are commonly regulated at Community level, and even longer before wages and salaries are negotiated in this way.

Nevertheless, the existence of the Community and the international labor union coordination it has fostered have helped to narrow the gap in living standards between workers in different member countries. Ten years ago, the working populations of Italy and the Netherlands had the lowest per capita income in the Community. By 1966, they had increased their average income per wage or salary earner by 118 per cent and 110 per cent, respectively – more than in any other member country. The Community average increase was 97 per cent.

The Community's unions continue to lobby for better social conditions. They have complained loud and long that Community social policies do not receive sufficient priority: they want to increase labor union representation to make the Community institutions listen to the voice of labor. They want a more supranational Community. And they want Britain to become a Community member.

# COMMUNITY NEWS

## EIGHTEEN AND SIX AGREE ON TRANSITIONAL MEASURES FOR ASSOCIATION; NEAR END OF NEGOTIATION FOR NEW AGREEMENT

The six members of the European Community and the 18 African countries associated with them by the Yaoundé Convention on May 29 agreed on transitional measures to continue the association, avoiding a legal lapse of the agreement which was to expire May 31.

Negotiations for a new convention, which began in December 1968, have not yet been concluded. Since ratification of a new agreement by the parliaments of the Six and the Eighteen will take at least a year, transitional measures were considered necessary.

Agreement on the transitional measures was reached by the Community on May 28 in Luxembourg at a meeting of the Council of Ministers. They were accepted the following day by the Association Council of the Eighteen and the Six, in Luxembourg. In addition, the Association Council made enough progress on basic problems during the meeting to state that it expected to be able to complete negotiations for the new convention at the next meeting, scheduled for June 26-27 in Luxembourg.

At the close of the meeting, the Community stated its intentions of not only maintaining but also increasing the volume of development aid given by the Community to the Eighteen through the European Development Fund. The Community is also considering modifying its customs tariffs on certain tropical products, such as unroasted coffee, cocoa beans, and unrefined palm oil, at the request of the Eighteen.

### The Transitional Measures

The transitional measures provide the legal basis for the application of the main trade, aid, and other commercial and financial provisions of the Yaoundé Convention from May 31, 1969, until the new agreement comes into force, but no later than June 30, 1970.

Concerning transitional arrangements for financial and technical cooperation, the Association Council noted its agreement that the Community would allow the associates to use the remaining unexpended balance of the European Development Fund. The Community had made available \$730 million for development loans and grants from 1964 through May 31, 1969. In addition, any capital or interest payments by the associates on loans from the European Investment Bank would be added to the associates' balance in the EDF. Arrangements would also be made for the associates to use the funds remaining from the \$70 million made available by the Six for loans to the associates through the EIB.

Because development projects take such a long time to prepare and to prevent loss of time, the Community agreed that the associates may begin to submit requests for EDF financing from the fund that will be created when the new association agreement comes into force.

The Community also said it would continue financing the scholarships, included in the Commission's budget, allowing students from the associated countries to attend universities in the Community.

Under certain conditions, advances to the price stabilization funds would continue to be granted during the transitional period, the Community agreed, since several of the associates depend heavily on one or two basic crops for their export earnings. In the event of drastic drops in world prices, the Community said it would consider special requests for aid, so that the Community can intervene retroactively as soon as the new convention comes into force.

### European Parliament's Evaluation

During a special session in Luxembourg on June 3-4, the European Parliament evaluated the progress to date in the negotiations for a new Yaoundé Convention.

Gaston Thorn, Luxembourg Foreign Minister and current chairman in office of the Council of Ministers, was the first Community official to speak. First, he commented that he did not think the Community's system of tariff preferences for the Eighteen would be incompatible with any system of generalized preferences that resulted from the United Nations Conference on Trade and Development. He then urged members of the European Parliament to expedite ratification of the new agreement by their national parliaments.

Speaking for the Commission, Henri Rochereau, commissioner with special responsibility for development aid, told the Parliament about some of the problems still to be settled in negotiations. Apart from the total amount of the Community's aid to development, allocations still had to be decided: the proportion of grants to loans, the amount of each Community member's contribution, and the amounts to be reserved for projects in the eighteen African countries and for projects in member states'

overseas possessions and territories. He said the Association Council had made definite progress on some outstanding questions, despite the pessimistic, panicky atmosphere in which the meeting had opened.

Giovanni Bersani, speaking for the Christian Democrats, said that while Mr. Thorn's and Mr. Rochereau's reports were reassuring, he still regretted the enormous loss of time in negotiations. Mr. Bersani said he hoped the Community would make available at least \$1 billion in aid through the EDF, because the African associates are among the poorest countries in the developing world. He added that some thought should be given to the fact that the time covered by transitional arrangements would in fact be a period devoid of Community investments in the associated countries. André Armengaud, speaking for the Liberals, said that \$1 billion in aid was not much in comparison with the amounts of money being wasted in other areas of the Community budget.

For the Socialists, Georges Spénale said that the association agreement ought to be treated like the political agreement it was. He deplored the fact that every five years the Community would decide whether or not to maintain these special ties. Aid from the EDF should be given beginning on July 1, 1969, he added.

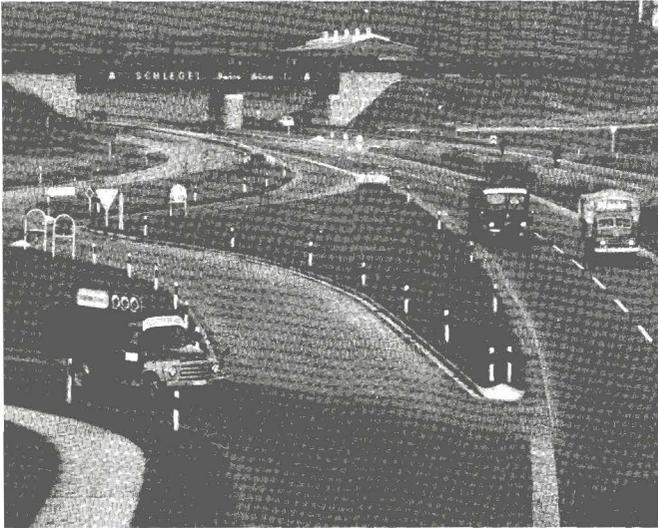
The Parliament's resolution on the Yaoundé Convention commented favorably on the progress that had been made at the meeting on May 29 and on the fact that trade preferences granted by the Community to the associates would not prevent their participation in a world system of generalized preferences. The resolution also urged that:

- The amount of aid to be given the associates through the European Development Fund should be set at \$200,000,000 a year.
- The new Convention, when concluded, should take effect from June 1, 1969.

*Ministerial meeting of the signatories to the Yaoundé Convention, Luxembourg, May 29*



## MECHANICAL MONITORS TO REPLACE TRUCKING LOGBOOKS



Mechanical monitors will free truck and bus drivers of their logbook-keeping chores if the European Communities Council of Ministers passes a proposal made by the Commission on May 19.

These devices have been used in the United States for the past 20 years, although the law requires them only on some passenger vehicles. They were introduced by trucking companies as a safety device and as an aid in maintaining and protecting their equipment.

On March 29 this year, the Council passed the first regulation for harmonizing labor conditions in passenger and cargo transport by road. It prescribed maximum daily and weekly periods at the wheel, minimum breaks between periods of continuous driving, and compulsory rest periods. Drivers were to record those times in their logbooks.

Since a mechanical monitor could provide easier and more efficient control, thus aiding road safety, the Council approved in principle the introduction of a monitor, or "recording tachometer." In accordance with the Council decision of March 29, the Commission's monitor proposal should be adopted by December 31, 1969.

The monitor would keep track of driving time, rest breaks, speed, and distances traveled. It would have to be installed in all road transport vehicles registered in a Community country with the following exceptions:

- vehicles capable of carrying only nine people including the driver
- vehicles used to transport goods with an authorized maximum weight, including trailers and semitrailers, of 3.5 tons.
- vehicles providing regular passenger service over a maximum distance of 30 miles
- certain public-service vehicles
- tractors with a maximum speed of 20 miles per hour.

Installation of the device would be compulsory by January 1, 1972 for vehicles first commissioned after that date. The same date would apply for vehicles used in international transport and transport of dangerous goods, irrespective of the date of their commissioning. On January 1, 1974, all vehicles commissioned before January 1, 1972 would have to be fitted with monitors.

### Standardization Sought

The proposed regulation also attempts to standardize monitoring equipment. Vehicles already equipped with mechanical monitoring devices differing from the Community standards could continue to use them only with a transitional authorization. Such devices would have to be modified or replaced by December 31, 1974 in cargo vehicles with payloads of up to 10 tons and all passenger vehicles. By December 31, 1976, it will be compulsory in all other cargo vehicles.

## COMMISSION SUES ITALY FOR DISCRIMINATORY CUSTOMS SURCHARGE ON TEXTILE IMPORTS

The European Communities Commission has filed suit against Italy for discriminatory border tax treatment of imported cotton yarn and other textile fibers.

The brief, filed in the European Court of Justice, Luxembourg, on May 22, accused Italy of giving indirect protection to domestic producers of cotton yarn and other textile fibers by maintaining a system of customs evaluation that imposed a heavier tax burden on exporters from other Community countries than on Italian producers. In addition, Italy was charged with refunding internal taxes in excess of the amount of taxes paid to exporters of these products.

## MULTINATIONAL JOINT VENTURE IN COMPUTERS STUDIED

Six leading European computer manufacturers are discussing a project to build a giant computer.

They are International Computer Ltd. (ICL) of Britain, Philips of the Netherlands, Siemens and Telefunken of Germany, Olivetti of Italy, and Compagnie Internationale Informatique of France. According to an ICL spokesman, a specialist committee created by the European Community had asked the five principal Common Market computer manufacturers to consider a giant computer project and to consider inviting other European manufacturers into the venture.

The ICL spokesman said in London last month that talks between his company and the EC consortium had now begun.

## FRANCO-GERMAN YOUTH OFFICE SUBSIDIZES 2 MILLION EXCHANGES

The Franco-German Youth Office is revamping its program so that it need not reduce its activities although its budget has been cut from \$10 million to \$9 million, according to its new Secretary General, Albrecht Krause. Not all the funds earmarked for the Office's various projects will be cut by 10 per cent; and cultural exchanges, which have proven one of the most useful education programs, will receive priority.

Out of 14.6 million youngsters in France and Germany between 15 and 24, two million have taken part in exchanges subsidized by the Youth Office in the past five years. Of these, one in three, a total of 660,000, have continued to correspond and exchange visits. Up to 1968, 30 French youngsters out of 100 had been to Germany, compared with 18 out of 100 in 1963. On the German side the figure rose from 13 to 19 out of 100 over the same period.

Polls show that French youngsters who have visited Germany tend to think of German science and industry as the best in Europe, while they accord German music a medium rating. German literature and the cinema come lower still. German youngsters come back from France with a very high regard for French literature and films, followed by science and then French music. French industry comes almost last in their esteem, although by 1968 nearly 600 young Germans were able to work in France for a year. A third of the young Germans felt that German children should learn French at school because they believed it was an elegant as well as universal language. Six French out of ten thought German should be taught in French schools; they advanced a more political explanation than their German counterparts - that it would help to improve relations between the two countries.

The political development of the Federal Republic is the reason six French youngsters out of ten gave for wanting to visit Germany; and that is why they were willing to go to any part of the country. The Germans, on the other hand, usually put forward private reasons such as holidays or improving their knowledge of the language. In 1963, most dreamed of visiting Paris or the Riviera, but they have begun to show increasing interest in visiting such areas as Normandy, the Loire region, or Brittany.

## WATERY END TO BUTTER SURPLUS ?

Europe's mounting butter surplus led a practical joker to place this advertisement in a German newspaper: "Have developed process for transforming dairy products into drinking water. Very suitable for export to developing countries that lack fresh water. Farmers and government officials should contact..."



### ATTORNEYS TO ARGUE IN ANY COURT IN COMMUNITY

A proposal to allow attorneys to argue cases in any court in the Community was put before the Council of Ministers in April by the European Communities Commission.

The draft directive would apply to barristers who give legal advice and argue cases. It would not apply to activities connected with the exercise of public authority, which barristers (as well as solicitors) perform in some Community countries, but which Article 55 of the Common Market Treaty excludes from Community regulation.

Barristers admitted to the bar in one Community country would be allowed to practice and argue cases in the same kinds of courts in other Community countries. However, in view of national differences in procedure and points of law, they must be accompanied by a lawyer from the host country when arguing cases.

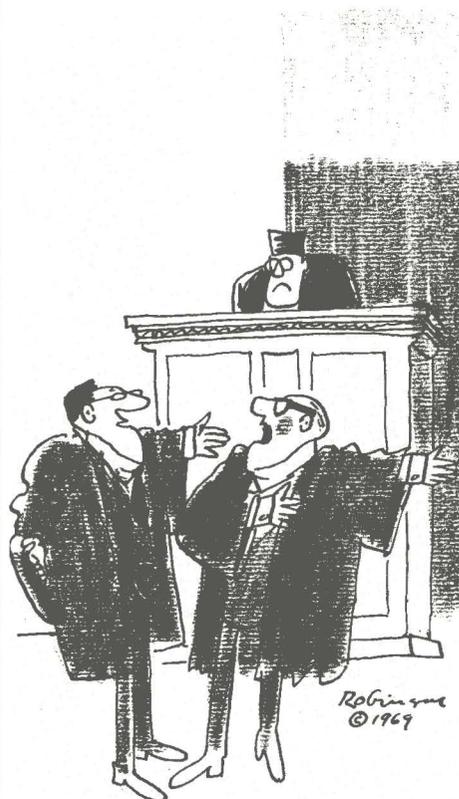
By allowing barristers to argue in any court in the Community, the proposal would facilitate their practice of law for individual and, particularly, corporate clients. However, not until the rules of the legal profession in the different member states have been coordinated, and mutual recognition of diplomas secured, will intra-Community practice become feasible for lawyers.

### ENGINEERS RECEIVE GUARANTEES TO PRACTICE ANYWHERE IN SIX

The European Communities Commission sent to the Council of Ministers on May 13 proposals to enable persons engaged in "research, creation, consultation, and application in the technical field" to open offices and offer their services anywhere in the Community. Engineers are the largest professional group affected by these proposals.

The proposals consist of three draft directives:

- abolishing legal restrictions preventing Community nationals engaged in these professions from practicing in any member country
- establishing transitional arrangements to secure mutual recognition of the many different types of diplomas awarded in this field. The minimal, acceptable training requirements for engineers and "other qualified technicians" are also outlined. Holders of diplomas who have practiced two years in one Community country would have their credentials accepted in any other Community country.
- providing for member countries which do not now make a distinction between engineering study and other kinds of technical training to enact the necessary laws to make this distinction. In addition, it provides that the member countries' teaching programs should allow engineers to transfer from one type of training to the other.



### UNIFORM TEXTILE DEFINITIONS PROPOSED TO PROTECT CONSUMERS

Uniform definitions of textiles by fiber content will make it easier for consumers to choose "the right" fabric from among the hundreds of natural and synthetic blends now on the market.

To protect consumers from false or misleading statements about fabrics, the European Communities Commission on March 13 sent to the Council of Ministers a proposal for uniform textile definitions. It would also remove barriers to trade in textiles caused by differences in the Community members' textile definitions.

If passed by the Council, the regulation would apply to all fibers, not merely pure fibers such as wool, silk, or linen. Each fiber would have a name and would meet specifications. Fibers would be marked or labeled at each stage of production and distribution to eliminate any confusion about its composition. Only information absolutely necessary to identify the nature and proportions of the fibers used would appear on the label.

"Textiles" are defined in the draft directive as all raw, semi-processed, processed, semi-manufactured, and manufactured products composed exclusively of textile fibers. "Textile fibers" are materials likely to be used in textiles because of their flexibility, fineness, and great length in relation to their diameters. "Textile products" are:

- products in which textile fibers account for 80 per cent of their weight
- textiles used in furniture, umbrellas, parasols, footwear, and floor coverings of several layers
- textiles comprising an integral part of other products.

Special rules are given for silk, virgin wool, and blended fabrics.

### SIX AGREE TO ELIMINATE NATIONALITY BIASES IN OIL AND NATURAL GAS CONCESSIONS

The six Common Market countries have agreed to eliminate nationality biases in granting concessions to explore and exploit petroleum and natural gas deposits but have not yet begun to harmonize national procedures for granting these concessions.

On March 13 the European Communities Council of Ministers adopted a directive proposed by the Commission to secure the right of establishment for self-employed persons and companies engaged in prospecting and drilling for oil and natural gas. The directive did not contain specific provisions for the continental shelf, as the applicability of the Common Market Treaty to the Community's continental shelf was currently being studied.

## EDF AFRICAN AID COMMITMENTS

Commitments made by the European Development Fund since 1964 were raised to \$606,928,000 by 11 financing decisions on April 18. The new decisions involve a total amount of \$27,666,000. Of this amount, \$16,166,000 were non-repayable grants and \$11,500,000 were loans on special terms.

**Congo (Kinshasa):** \$18 million – half as grant, half as loan – for the construction of high-voltage grids and transformer stations at Inga, Kinshasa, Kwilu-Gare, Lukala, Boma, and Matadi.

**Gabon:** \$2.5 million, as a loan, for the construction of a gravel road connecting Basse-Obiga with the river Wagny and a bridge over the river.

**Central African Republic:** \$450,000 for the construction and equipment of a port at Nola on the Upper Sangha River. The project includes the construction of a quay wall, sheds and buildings, and the procurement of cranes and other equipment. This project is part of a program to create a second river link with Brazzaville and, via the railroad, with the sea.

**Rwanda:** \$992,000 for technical assistance, transport, creation of infrastructure, and supply of initial materials necessary to create tea plantations around the villages of Shagasha and Mwaga.

**Rwanda:** \$235,000 to continue work on the Mulindi and Cyangu tea plantations which are being financed with EDF loans.

**Mali:** \$2,384,000 to improve water supply and storage of water in Bamako, the capital. This project will complete the first stage of an emergency program which will meet the city's water requirements until 1976.

**Mali:** \$446,000 to rebuild a complex of inade-

quate buildings housing public health services of the town of Mopti. The new center will include a preventive medicine service, an out-patients clinic, a maternity and infant welfare service with a maternity hospital, and administrative offices.

**Somalia:** \$547,000 for the construction and equipment of a plant propagation station in the farming area around Genale, about 50 miles southwest of Mogadishu, the capital. The station will produce 35,000 grapefruit seedlings a year for five years and distribute them to growers. Its program will include some vocational training.

**Surinam:** \$1,167,000 to improve a 22-mile section of the east-west trunk road which goes along the coast and through Paramaribo, the capital.

**Surinam:** \$645,000 for the construction of a central store for the Ministry of Public Health's pharmaceutical service in Paramaribo. Besides store rooms, the center will include production departments, laboratories, offices, and a pharmacy.

The eleventh decision made available \$300,000 to extend the program for participation by the 18 African countries associated with the European Community by the Yaoundé Convention in trade fairs in the Community member countries. The program is intended to strengthen the position of the associates' products in the Community market.

### Decisions of May 28

The total commitments of the European Development Fund since 1964 were raised to \$617,148,000 by seven financing decisions by the European Communities Commission on May 28. These decisions involve a total amount of \$10,501,000

**Mali:** \$537,000 to introduce Maryland tobacco growing. The project, covering three years, provides for outside technical assistance, production and packing equipment, and training of supervisors.

**Niger:** \$640,000 to enlarge the National Administration College at Niamey to facilitate training of office staff and medium-grade civil engineering assistants. The project includes the construction and equipment of buildings and the enlargement of the existing library.

**Chad:** \$243,000 to improve the central hospital at Fort Lamy. The project provides for the construction of an additional water purification and drainage system for sewage and waste water, the improvement of electricity, and overhauling the incinerator and boiler.

**Surinam:** \$1,114,000 to construct a boarding school in Paramaribo for 150 boys and 150 girls. To facilitate access to secondary education for rural children, the school will be reserved for students whose parents do not live in Paramaribo.

**Madagascar:** \$445,000 to finance three economic and technical studies. One will investigate the feasibility of reclaiming land from Lake Alaotra for industrial dairy farming and breeding for slaughter. The second, an agricultural improvement study, will map the area to be improved and to make a land-utilization plan for the Lower Mangoky area. The third deals with the continuation of guidance services to make the Andapa Basin profitable.

**Cameroon:** \$481,000 to provide the Government with seven instructors to help develop crafts, small businesses, and farms. Masonry, carpentry, plumbing, engraving, and similar trades will be taught. Small businesses and small farms for coffee, bananas, and cocoa will be developed around the cities of Douala, Yaoundé, Nkongsamba, and Bafoussam.

**Senegal:** \$7,041,000 to cover the fifth annual installment of the production aid program. The program includes price support for groundnut production and structural improvements – distributing fertilizer and selected seed, establishing cleaning and storage facilities, and promoting soil conservation.

### Production-Aid Decisions

Four decisions by the Commission on May 30 raised the EDF's total commitments since 1964 to \$623,078,000. The decisions, for a total amount of \$10,958,000, involved the final installments of the five-year production-aid programs in Dahomey, Mali, Madagascar, and Chad to enable these countries to market certain agricultural products at world prices and to effect structural improvements for the production of those products. Since 1964, a total of \$90,060,000 has been committed for this type of aid for Cameroon, the Central African Republic, Madagascar, Dahomey, Mali, Niger, Senegal, Chad, and Togo.

*With Community assistance this dam for watering cattle and twelve others were built to improve water supply in Mauritania.*





*Landmovers level the ground on which tracks will be laid for the Cameroon rail extensions.*

### EIB TO FINANCE HIGHWAY IN SICILY

The first section of an \$87.5 million road between the Strait of Messina and Palermo, Italy, will be laid with the assistance of a \$16 million loan from the European Investment Bank.

The new road is a main element of the highway system under construction in Sicily. Passing through a tunnel under the Peloritan Mountains, the highway will connect the Messina metropolitan area with industrial and tourist centers on the Tyrrhenean Coast and will facilitate traffic between the mainland and the interior of the island.

The Bank and the Consortium for the Messina-Patti Highway concluded the loan agreement on May 29, in Luxembourg. The loan, which is guaranteed by the Italian Republic, was made for a term of 20 years at an annual interest rate of 6-7/8 per cent.

### Cameroon Railroads

"Regifercam," the Administration of the Railways of Cameroon will receive \$1.4 million from the European Investment Bank to help finance purchases of rolling stock and modernization of vehicle maintenance and repair shops at a total cost of \$2.4 million. Regifercam will finance the remainder from its own resources.

This loan, announced in Luxembourg and Brussels on May 22, will enable Regifercam to meet demands resulting from increases in rail traffic and from putting new track lines into

service. Part of the loan will be used to improve productivity and increase working capacity of the repair shops in Bassa-Douala.

The project will be carried out by Regifercam, a financially independent, state-controlled, commercial and industrial agency which is in charge of running Cameroon's railroads.

The loan was granted for a term of 21 years with a 6-year grace period at an annual interest rate of 3 per cent, and is guaranteed by the Federal Republic of Cameroon.

### Loans for Textile Projects

On June 6, the European Investment Bank concluded two loan agreements with the Cassa per il Mezzogiorno, a development bank sponsored by the Italian Government to promote industrialization of the South. The funds will be re-lent through the Istituto per lo sviluppo economico dell'Italia meridionale to two companies in the Snia Viscosa S.p.A. group.

One loan, of \$4.4 million, will be used for the construction of new facilities in Naples for the production of continuous polyester yarns. Total fixed investments in the project will amount to \$9.6 million.

The other loan, of \$3.2 million, will be used for the construction of a plant in Salerno for the texturization of the yarns produced by Snia Viscosa's plant in Naples and by other companies in the group. Fixed investments in the project will amount to \$7.3 million.

### COAL OUTPUT DROPPED 4% IN 1968

Provisional figures for 1968 showed that coal production in the European Community fell by 4.3 per cent compared with 1967, from 189.2 million to 181.1 million metric tons. Only Germany showed an increase in output, but it was small.

Employment in the mines continued to fall throughout the Community. There were 284,000 faceworkers employed in mines at the end of 1968, an 11.9 per cent contraction.

Productivity of mineworkers continued to rise, averaging 8.2 per cent for the whole Community. Only in Italy did productivity decline, by 0.7 per cent.

The rate of closure of pits slowed down in 1968 - 18 against 33 in 1967. The productive capacity abandoned in 1968 was 9 million tons, against 14.8 million tons in 1967.

For the first time since 1964 total mine stocks of coal declined. Though down from 32.5 million to 26 million tons, they still represented at the year-end the equivalent of one-and-one-half month's output.

### EURATOM COMMISSIONER VISITS U.S. FOR ATOMIC AND OTHER ENERGY COOPERATION TALKS

Wilhelm Haferkamp, member of the European Communities Commission, visited the United States from May 26 to June 3 to discuss with Government officials questions of common interest resulting from the Commission's recent proposals for a European energy policy and questions of common interest concerning the Agreement for Cooperation between the United States and the European Atomic Energy Community.



*Commissioner Fritz Haferkamp*

Mr. Haferkamp met with White House science advisers and other Government officials, including the chairman and members of the U.S. Atomic Energy Commission. He also met with American industry leaders and economists who are particularly concerned with energy.

Mr. Haferkamp was accompanied by Fernand Spaak, director general for energy in the European Communities Commission, Franco Cancellario D'Alena, director general for Euratom supply and safety control, and Mr. Haferkamp's chief executive assistant Willy Schlieder.

## EURATOM EXPERTS VISIT U.S. NUCLEAR INSTALLATIONS

Twenty nuclear energy experts from the European Common Market – representing industry, member governments, as well as the European Atomic Energy Community (Euratom) – visited the United States from May 11-22, for an exchange of ideas under the U.S.-Euratom Cooperation Agreement concerning the peaceful use of nuclear energy.

This visit coincided with the phasing out of a program, set up under the Agreement, for a 10-year joint research and development effort largely in the light water reactor field. The basic Agreement between Euratom and the United States was concluded in 1958. During the ten years of the program, the two partners have each spent \$28 million on joint research and development, each spending their contribution in their own countries. Under the program three nuclear power plants have been built in the six Common Market countries: Garigliano, in Italy; Chooz, in the French Ardennes; and Gundremmingen, in West Germany (150, 266, and 237 mWe, respectively).

During the talks, particular attention was paid to improving the behavior of nuclear fuels in light water reactors and the re-use of plutonium in thermal reactors. Visits were made to the relevant research installations and laboratories of leading American firms in the nuclear field, including General Electric, Babcock Wilcox, Westinghouse, and Gulf General Atomic, enabling the Europeans to observe the latest developments in the United States and the American hosts to be brought up to date on Community nuclear energy developments.

## CONFERENCE OPENS TO DRAFT EUROPEAN PATENTS CONVENTION

Kurt Haertl, head of the German Patents Office and one of the chief promoters of a European Patents Convention, was elected chairman of the intergovernmental conference for the creation of a European patents system. The conference opened in Brussels on May 21. Future sessions will be held in Luxembourg.

In his first speech from the chair, Dr. Haertl stressed that economic and technical realities made it more and more important to create a European patents system supplementing the national systems.

Work on a European Patents Convention started shortly after the Common Market began to function (*see European Community No. 122, pages 4 and 5*), and a draft convention was published in 1962.

Participating in the Conference are the six members of the European Communities, and Austria, Denmark, Spain, Greece, Ireland, Norway, Portugal, the United Kingdom, Sweden, Switzerland, and Turkey. The European Communities Commission is participating as an observer.

## COPPE PROPOSES THAT COMMISSION BRING EC PROBLEMS BEFORE NATIONAL PARLIAMENTS

Members of the European Communities Commission should have the opportunity of explaining Commission proposals in national parliaments, Commission member Albert Coppé told a meeting in London on May 22.

Despite national differences, political groups in the European Parliament have done useful work in reaching common positions, he said. Nevertheless, many members of the European Parliament tend to become isolated from national parliaments because they find it difficult to serve both assemblies effectively.



Commissioner  
Albert Coppé

“Why, for example, shouldn’t Mr. Mansholt be given the opportunity to defend his plan before the national parliaments’ agricultural committees? Why is Mr. Barre not offered the opportunity of defending the Commission’s proposals for monetary aid – a sort of small International Monetary Fund for Europe – before the finance commissions of the national parliaments?” Mr. Coppé asked. Such a procedure would give all members of national parliaments the chance to consider the interests of Europe as well as national interests and would produce good results. The move, he acknowledged, could encounter strong resistance from ministers and the national administrations; they might regard the Commission as “a Trojan horse in their own fortress.”

## BARGAIN OF THE MONTH: LONG-DISTANCE PHONE CALLS

A three-minute telephone call made outside office hours from Aachen to Munich (about 400 miles) costs about 29 cents, while one from Aachen to Liege (about 40 miles away, but across the German-Belgian border) costs 81 cents. Can the European Communities Commission do something about this, Josef Müller, German Christian Democrat, asked in a written parliamentary question.

The Commission replied that, if technical conditions were equal, there was no reason why a cross-frontier call should cause a considerable increase in the cost. The Commission said it would tackle the problem “according to the possibilities offered by the Rome Treaty.”

## COMMISSION SUBMITS PLANS TO ASSURE LONG-TERM NUCLEAR FUEL SUPPLY

The European Communities Commission has submitted proposals to the Council of Ministers to assure Community users of a long-term supply of nuclear fuels at stable prices.

The document sent to the Council of Ministers on May 22, points out that despite the U.S. Government’s guarantees of price and quantities, criteria governing toll enrichment and export of American enriched uranium are subject to revision. An additional element of uncertainty would arise should American enrichment plants be turned over to private ownership. The United States is the Community’s only supplier of enriched uranium.

The Commission’s proposals follow the basic principles and objectives of the common nuclear policy. (*See European Community No. 123, pages 10 and 11.*) They set forth a time schedule for building enrichment facilities in Community territory.

## Two Processes

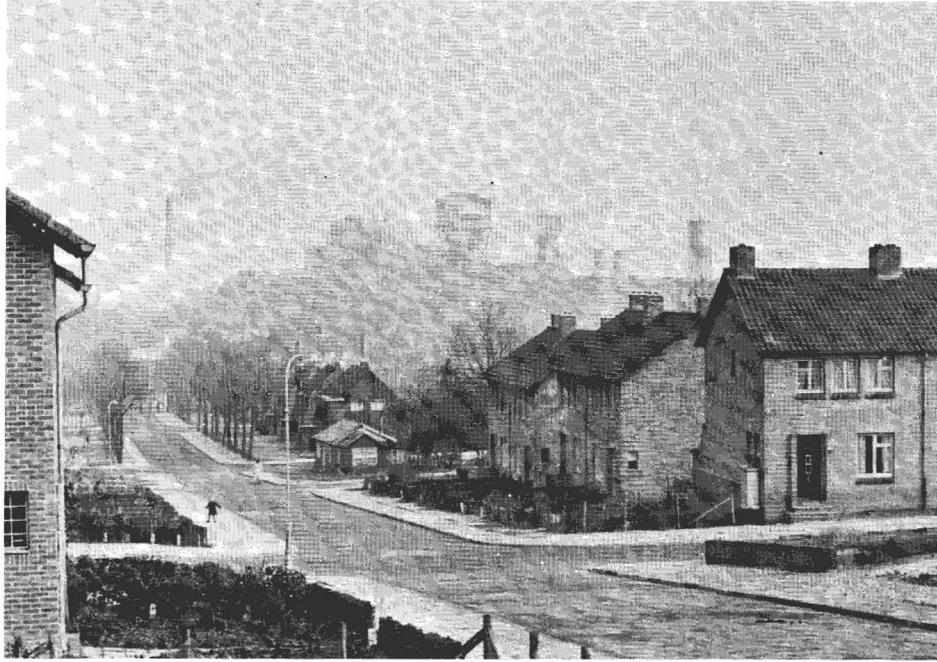
The Community will concentrate on two complementary enrichment processes:

- the gaseous diffusion method, which is proven, capable of major development, and particularly well suited for use by large enrichment plants
- the ultracentrifuge process, which, though at a less advanced stage of industrial development, offers considerable potential for medium-capacity plants and for higher degrees of enrichment.

The first stage of the project, ending on December 31, 1971, would be spent in preparatory study, consultations with national experts, and Community participation in the construction of the gaseous diffusion pilot plant by France and the demonstration ultracentrifuge plant in the Netherlands (by Germany, the United Kingdom, and the Netherlands. *See European Community No. 123, page 22.*)

The second stage, ending on June 30, 1973, would consist of studying projects and making a firm decision to build. In the third stage, a short one ending August 31, 1973, technical choices will be made, the site chosen, and tenders invited. During preparatory work, the Commission said, the possibilities of cooperation between the Community and non-member countries should be explored.

During the fourth stage, ending at the end of 1978, construction of the enrichment plant should be finished. It should be large enough to supply “a significant percentage” of the Community’s estimated annual requirements in 1980.



*Research to eliminate air pollution by steel companies continues. With the help of earlier Community loans, methods of preventing air pollution have been developed but none has yet been perfected for large-scale, economical use.*

### COMMUNITY AIDS AIR POLLUTION RESEARCH

Italsider steel company of Genoa will receive up to \$600,000 from the European Community, covering 40.6 per cent of the costs of a research project to prevent air pollution from coking coal exhaust.

This decision was the result of one of two confirmatory opinions given by the European Communities Council of Ministers enabling the Community to grant aids under a five-year program to find ways of combatting air pollution caused by the steel industry. The opinions were given on May 28 in Luxembourg, under the terms of the Coal and Steel Community Treaty. As a result of the second opinion, Kloeckner-Werke AG and Huttenwerke Salzgitter AG will also receive up to \$523,000, covering 34 per cent of the costs of making industrial trials of a new process for the dry removal of dust from high carbon monoxide content residual gases

which are released in manufacturing steel in oxygen blast converters.

Other research aid approved:

- \$123,600 for research in the field of metal physics
- \$1,701,817 for a joint research program involving measurements used in the steel industry
- \$226,188 for research on methods for analyzing gases in steels
- \$692,160 for research on casting and solidification of steel
- \$90,846 for the continuation of research on the automation of reversible rolling mills
- \$115,360 for research on the automation of pivoting slabs in heavy plate mills
- \$206,000 to promote the use of technical steel-industry literature.

### MORE ELECTRICITY FROM EC'S NUCLEAR POWER STATIONS

Experts forecast that by the year 2000 electricity will account for half of the European Community's total energy consumption (compared with a quarter last year) and that about three-quarters of electric power output will be generated in nuclear plants.

Last year electricity production from nuclear power stations in the Community increased by 7.7 per cent - from 6,800 million kilowatt-hours in 1967 to 7,300 million kWh in 1968. Nuclear energy provided 1.8 per cent of total

electricity production in the Six.

French nuclear power plants now have the highest output. They increased their production from 2,500 million kWh in 1967 to 3,100 million kWh in 1968. Owing to scientific experiments and technical modifications, production in Italy showed a short-term drop from 3,000 million kWh to 2,400 million kWh. In Germany, where two new nuclear generating stations, at Lingen and Obrigheim, went into service last year, output rose from 1,100 million kWh to 1,600 million kWh.

### COMMON RULES PROPOSED FOR CERAMIC IMPORTS

Common rules for ceramic imports have been proposed by the European Communities Commission as the first step in an industry-by-industry unification of the Community members' current import systems. Gradually, the six systems for fixing and administering import quotas and liberalization lists and for supervising imports would be supplanted by a single system applicable throughout the Community.

The Commission put a general plan for unification of import systems before the Council of Ministers in April, together with its initial proposal covering ceramic imports. It indicated that studies were well along on other industries, including precision engineering and optics, chemicals, cutlery, footwear, and umbrellas.

The rules suggested for ceramic imports would apply to imports from all non-member countries except state-trading countries. Imports from state-trading countries will also receive separate treatment in other proposals, the Commission indicated.

### COMMISSION ACTS ON DUTCH AND ITALIAN INVESTMENT RULES

The European Communities Commission has asked the Dutch and Italian governments to abolish a number of regulations limiting the investment rights of other member countries. In the Commission's opinion, the regulations are incompatible with Community rules on the free movement of capital and freedom of establishment.

### REY CITES SEPARATION OF POWERS AS REASON FOR REFUSING TO APPOINT ARBITRATORS

Jean Rey, President of the European Communities Commission, refused on May 22 to appoint three Commission members as arbitrators to settle a dispute for the Schneider company. The dispute involved the application of a protocol signed in 1966 by leading stockholders of the company.

The Commission President commented that, although normally membership in the Commission would not be incompatible with an appointment to arbitrate private disputes, the Schneider case involved a protocol whose content and scope the Commission might have to examine, in its capacity as the authority responsible for supervising the application of the Community Treaties. Therefore, Mr. Rey said, it would not be proper for Commission members to investigate the same agreement in two distinct capacities, because the application of different legal rules in the two cases would entail a danger of conflict.

### TECHNICAL STANDARDS PROGRAM AND TRAVELERS' ALLOWANCES APPROVED BY COUNCIL

The European Communities Council of Ministers has adopted the Commission's program for harmonization of technical standards and its proposal for allowing Community residents exemptions from internal taxes on goods carried from one member country to another in their baggage.

These decisions were made on May 28 in Luxembourg at a meeting devoted primarily to external affairs.

The program of technical harmonization calls for the elimination of differences in the member countries' legislation on technical standards on products ranging from foodstuffs through automotive equipment. (See *European Community No. 123, pages 12 and 13.*) The Commission considered this action necessary because legal differences could restrict trade between the Community members.

The travelers' exemptions apply to tobacco, perfumes, and alcoholic beverages. (See *European Community No. 123, page 18.*) Certain amounts of these goods intended for personal use and accompanying the traveler will be exempt from excise and turnover taxes.

### TALKS WITH INDIA ON COCONUT, JUTE, CRAFTS NEAR COMPLETION

The European Community has almost completed negotiations with the Indian Government on coconut, jute, and crafts products, the European Communities Commission indicated on April 23.

The Commission was answering a written parliamentary question asked by Giovanni Bersani (Italian Christian Democrat). The Commission said that it had informed the Council of Ministers in January 1968 of the Indian Government's request for a commercial agreement. On February 19, 1968, the Council indicated that before considering general negotiations with India, specific negotiations should be completed on jute and coconut products, and handicrafts. In addition, the Council thought the results of the second United Nations Conference on Trade and Development (UNCTAD II) should be taken into consideration. The Commission verbally advised the Indian Mission to the Community of this position.

The Commission said that the specific negotiations with the Indian Government had now reached an advanced stage. In addition, the industrialized countries have made progress towards the granting of generalized preferences to developing countries. The Commission said it was in touch with the Indian Government so that at the appropriate time the Council could be asked to reexamine India's request.



### COMMISSION RECEIVES CHARLEMAGNE PRIZE

The Commission of the European Communities has received the 1969 international Charlemagne Prize for outstanding services to European unity. It is the first time since the city of Aachen introduced the \$1,250-\$3,000 prize in 1950, that it has been awarded to an institution and not to an individual.

Twelve members of the 14-member Commission attended the award ceremonies on May 15 in Aachen. Commission President Jean Rey and Jean Francois Deniau accepted the award for the Commission.

In his acceptance speech, Mr. Rey stressed that the Community's unique institutional machinery had provided the creative drive for integration. He said the Community had "started from the idea that the Community institutions must have limited but real powers imposing their authority on the member states and be organized to allow constant exchanges of views — the beginnings of a future federal constitution between the governments representing the member states and the institutions more specifically representing the Community...."

"By awarding the Commission as a corporate body the 1969 Charlemagne Prize you have set the seal in the eyes of European and world opinion on the essential role our Commission must play in the life of the Community," Mr. Rey said.

### ELECTRICITY USE DOUBLES

Electricity consumption in the six Community countries has more than doubled in the past ten years — from 241 billion kilowatt hours in 1958 to 505 billion kWh last year. Last year's consumption was up 8 per cent over 1967.

The greatest rise in electricity consumption during 1968 occurred in the Netherlands (12.3 per cent) and Belgium (10.6 per cent) after new steel chemical plants opened. The smallest rise was in France (4.4 per cent) because of the widespread strikes in May. The rate of increase in Germany was 9.7 per cent and in Italy, 7.5 per cent.

### COMMISSION AUTHORIZES TWO GERMAN STEEL COMPANIES TO EXCHANGE STOCKS

Hoesch AG, a German steel company, has acquired 26 per cent of the capital of Stahlwerke Südwestfalen, one of Germany's largest producers of special steels and, with two other large stockholders, has gained control of Südwestfalen. Südwestfalen has leased the Niederschelden steel works from the Hoesch group.

Since these arrangements amount to a combination, they were subject to prior showed that the companies involved accounted for only 10 per cent of special steel production in the Common Market. In addition, it found that the structure of the market would prevent these firms from restricting competition. Accordingly, the Commission granted the authorization requested and announced its decision on April 24.

### DUTCH, GERMAN AIRCRAFT MERGE

A step towards an integrated European air and space industry was taken on May 12 when it was announced that the Vereinigte Flugtechnische Werke (VFW), one of the two largest groups in the German aircraft industry, would merge with Fokker, of the Netherlands.

The two companies have been cooperating since 1960, but absence of a common European company law has held up a full merger. The two groups have had to circumvent this difficulty by forming a new holding company, Zentral Gesellschaft VFW-Fokker, registered in Düsseldorf. VFW and Fokker will have equal rights in the new firm, which will be capitalized at more than \$25 million.

The Dutch and German Governments were consulted and have given the arrangements their full approval.

VFW and Fokker have worked together on civilian and military aircraft. Their VFW-614 project — the largest German-built jet — is scheduled to begin coming off the production line in 1972. It has a Rolls-Royce engine, the M45, developed jointly by Bristol Siddeley and SNECMA, of France.

The new group holds a 50 per cent interest in the Belgian aircraft concern SABCA. The other 50 per cent belongs to France's Dassault group.

### ELECTIONS STUDY REQUESTED

The Committee of Permanent Representatives of the European Community members will study the question of direct elections of the members of the European Parliament.

The Committee will undertake the study at the request of the European Communities Council of Ministers, made on May 12. The European Parliament had passed a resolution on March 12 urging the Council to introduce direct elections (see *European Community No. 122, page 19*).

## UK AND ITALY CALL FOR ENLARGED EC

Britain and Italy have affirmed that the Community must remain the basis for European unity, that its enlargement would not alter its nature, and that the Community should have an elected parliament, as provided in the Rome Treaty, and a common foreign policy.

Following the visit to Britain of Italian President Giuseppe Saragat and Italian Foreign Minister Pietro Nenni, the British and Italian Governments on April 21 declared:

“The European Communities remain the basis for European unity. The Treaties establishing these Communities provide for the accession of other European countries. If the Communities are to develop, they must be enlarged. The enlargement of the Communities would not alter their nature but rather would ensure their fulfillment. In this way Europe will be able to make even stronger its outward looking traditions and increase its efforts for the developing countries.”

In a joint communique the two governments also announced that they were creating a joint committee for scientific and technological cooperation. The communique said that Germany, the Netherlands, and Britain were considering arrangements for Italy to join the three countries' collaborative efforts to develop the gas centrifuge method of enriching uranium.

“Every path that would make European integration easier should be pursued, at every level and in all fields where progress is possible,” the communique stated. “Particular importance will attach to progress in monetary matters, technology, the peaceful uses of nuclear energy and cultural cooperation.”

The two countries also stressed: “An essential condition for the development of a united and democratic Europe is the full participation of the younger generation. Their future will depend on the contribution which their energy and intelligence can bring to the unity of our continent.”

## EAST AFRICAN PACT EXPIRES WITHOUT COMING INTO FORCE

The Six have adopted a mandate enabling the European Communities Commission to negotiate the renewal of the Arusha Convention, associating the Community with Kenya, Uganda, and Tanzania.

Signed on July 26, 1968, the Convention was to expire on May 31, 1969. However, not all signatories completed the ratification procedure so that the accord did not come into force.

The three East African countries and the Netherlands and Belgium ratified the agreement. France, Germany, Luxembourg, and Italy did not complete ratification.

## COMMON MARKET OFFICIALS VISIT U.S. FOR TRADE TALKS

A Common Market trade team led by Jean François Deniau, member of the European Communities' Commission, spent May 20 and 21 in Washington for a two-day round of talks with U.S. officials on current U.S.-Common Market trade relations.

Mr. Deniau is the member of the Communities' Executive Commission responsible for Common Market external trade relations. The visit followed President Nixon's initial exploration of U.S.-Community relations with Commission President Jean Rey during his visit to Brussels in February and Commerce Secretary Maurice Stans' trade talks with the Commission at Common Market headquarters in late April.

The talks on May 21 and 22 covered a wide

range of issues affecting U.S.-Community trade relations – including agricultural and industrial trade problems. Particular attention was given to textiles and to non-tariff trade barriers.

Mr. Deniau and members of the European trade group met with Commerce Secretary Stans, Agriculture Secretary Clifford Hardin, Acting Secretary of State Elliot Richardson, Deputy Under Secretary of State for Economic Affairs Nathaniel Samuels, and Assistant Secretary of State for European Affairs Martin Hillenbrand. They also met with the Chairman of the President's Council of Economic Advisers Paul McCracken, and the President's Special Representative for Trade Negotiations Carl Gilbert.

## FRANCE, GERMANY TO GO AHEAD ON AIRBUS; UK STILL UNDECIDED

France and Germany have formally told the United Kingdom that they will go ahead with developing a 250-passenger, medium-range European airbus, even if Britain decides to withdraw from the joint venture. The plane is still at the design stage.

A communiqué issued after an official meeting in London on April 10 said that while Jean M. Chamant, French Minister of Transport, and Klaus von Dohnanyi, Secretary of State at the German Ministry of Economics, urged rapid progress with the project to prevent competitive disadvantages, Britain's Minister of Technology Anthony Wedgwood Benn stated that the British Government which was evaluating alternative projects, was not yet satisfied with all aspects of the airbus. He mentioned the market outlook, development costs and their recovery, and the lack of a firm commitment to the use of a European engine.

The French and German ministers, on the other hand, stated that they were satisfied with present proposals. They told Mr. Benn that in order not to hamper the project's industrial

development, France and Germany would for the time being continue on a bilateral basis. They would decide all questions that had to be solved to assure rapid completion of the project.

The French and German Governments will keep the British Government fully informed about all aspects of the project, and the British Government will similarly keep in the closest contact with them. Mr. Chamant and Mr. von Dohnanyi urged the British Government to come to an early decision over its partnership in the project. The three ministers agreed that a successful tripartite partnership would greatly strengthen the European aircraft industry.

Speaking in the British House of Commons on April 17, Mr. Benn defended Britain's decision not to join in the European airbus project for the moment. He said that it would not help European collaboration if Britain were ready to finance anything regardless of its prospects. Exactly the same criteria would be applied to the British Aircraft Corporation's 311, all-British airbus project.

## GERMAN SUBSIDY FOR MODERNIZING TRANSPORT APPROVED

The German Government's plans for a \$250 million subsidy – \$62.5 million each year from 1969 to 1972 – for the first steps in modernizing the country's transportation system have been approved by the European Commission.

In announcing its decision on May 16, the Commission said that while the German plans conformed to the general concepts of a common transport policy as outlined in the Common Market Treaty, the criterion for giving the aid must be the profitability of the proposed projects. This is necessary to prevent distortion of competition and to ensure that the mode of transportation most suitable for a given purpose is promoted. Under the subsidy plan, combined rail and road transport will be developed – quick road-to-rail and rail-to-road transfers of

containerized cargos. Development of feeder lines and research in new transport techniques are also planned, as part of a long-term program to correct the road and rail imbalance.

The Commission pointed out that the level of aid that could be granted in any individual case, as high as 75 per cent or even 100 per cent of investment costs, appeared excessive in relation to the objectives desired and asked the German Government to report every six months on the aid system and to give precise information on each subsidy that exceeded \$250,000. The Commission also reserved the option of reviewing its decision when the Community makes final provisions for state intervention in transport or when regulations are passed for coordinating investments.

**PUBLICATIONS AVAILABLE**

**HOW THE EUROPEAN COMMUNITY'S INSTITUTIONS WORK.** By Emile Noel, Executive Secretary of the Commission of the European Communities. *Community Topics*, No. 32, European Community Information Service, Brussels, February 1969, 16 pages . . . . .free  
*A revised version of Topic 27.*

**HARMONIZING TAXES – A STEP TO EUROPEAN INTEGRATION.** By Hans von der Groeben, Member of the Commission of the European Communities. *Community Topics*, No. 30, European Community Information Service, Brussels, November 1968, 8 pages .free  
*Adapted from an address in Bad Godesberg on May 9, 1968.*

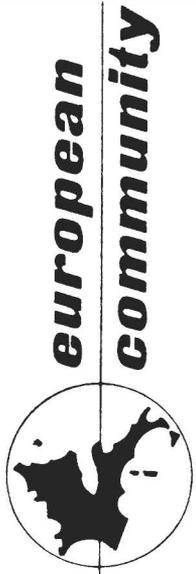
**EUROPEAN DEVELOPMENT FUND 1958-1968.** General Directorate Press and Information, Commission of the European Communities, Brussels, 1969, illustrations in color, 40 pages . . . . .free  
*A description of the work of the Fund in three areas: infrastructure, rural modernization, and social development.*

**EXPOSE SUR L'EVOLUTION DE LA SITUATION SOCIALE DANS LA COMMUNAUTE EN 1968.** Commission of the European Communities, Brussels, February 1969, 325 pages . . . . . \$2.40  
*Annual report on social developments in the Community. Contains statistical annexes with information on population, employment, migration, work duration, paid holidays, housing, social security, and accidents at work.*



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