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COVER PHOTOGRAPH: Tungsten atoms, courtesy of Dr. Erwin W. Müller, Research Professor of Physics, State University of Pennsylvania, University Park, Pa.

ANATOMICAL DRAWING: Leonardo da Vinci, ca. 1485-90, Galleria dell'Accade, Venice.

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"If technological prowess will not make your economy grow faster, it will nonetheless help you to keep pace in certain key industries." Four space-age printed circuits would fit on this man's thumb nail.

The Atlantic Community and the "Technology Gap"

by DAVID ROCKEFELLER

"INVESTMENT IN AN ERA OF ADVANCING TECHNOLOGY" strikes us as an especially timely subject in view of the stream of new products, new processes, and new management techniques flowing with increasing rapidity through the economies of the free world. These innovations are establishing whole new industries, adding variety to the array of goods from which we may choose, cutting costs, changing materials, and making other recent innovations quickly obsolete.

Many of these new developments—the jet on which I flew to Europe, the supersonic transports soon to come, television and communications satellites—are symbols and instruments of our fantastically shrunken and increasingly interdependent modern world. We are not, and must not permit ourselves to think we

are, "oceans apart" in any respect. Yet this very technology is threatening to become a divisive issue in relations between the United States and Western Europe. The "technology gap" is a subject of controversy among the power centers of the West at the very time when social and economic welfare and military security make it essential that we work more closely together.

There *is* a technology gap, and it *is* a problem with serious economic, social, and political ramifications. The widely publicized "brain drain" is one of these. I think it regrettable that some seem to take the view that the technology gap is only a creature of Europe's imagination and that, once we explain the facts, you will understand that we are really no threat at all. Basically, the gap is part of our problem of working together economically. Concern about it stems primarily, I believe, from concern about the great size of the United States economy, and from particular concern about the substantial expansion of American business operations overseas in the past decade.

I would define the technology gap as the self-evident lead of

Excerpts from remarks at International Investment Forum by David Rockefeller, president of Chase Manhattan Bank, in Paris, October 23, 1967.

the United States over Europe, and the rest of the world, in certain of the most important science-based industries, particularly aerospace and electronics—industries at the very frontier of scientific knowledge and commercial exploitation today. I certainly do not mean to imply that technological supremacy is all on our side. For instance, we must bow respectfully to the European chemical industry which has pioneered in the development of DDT, cellophane, wrinkle-resistant fabrics and many other things. In steel, some of the most significant new techniques have come from Europe. Even in aircraft, where we now have an overall lead, we see that Europe—notably France, the Netherlands, Sweden and, in the case of jet engines, Britain—is a wholly capable competitor in several important lines of civilian and military development. In fact, aircraft is a particularly apt example of how the technological lead in one industry can move back and forth across the Atlantic. It also points up the difficulty of measuring the technology gap.

It is possible that the gap is growing, as some students of this matter say it is. I am impressed with their argument that technology is developing so rapidly that the lead which the United States already has—fortified by an economy that is larger than all of Western Europe put together—would appear to place us in an advantageous position to widen the lead still further.

I submit, though, that it is impossible to prove whether the gap is growing or shrinking. It is difficult even to measure how big the gap is, much less its rate of change.

"A viable Europe is impossible without closer internal coordination." The photo shows one member of a "European" staff working on an experimental high-temperature gas-cooled reactor, "the Dragon," at the United Kingdom Atomic Energy Authority establishment, Winfrith, Dorset. Other scientists and engineers assigned to the project come from Australia, Switzerland, Denmark, Norway, Sweden, and the six members of the European Atomic Energy Community.



It is not clear precisely how important technological development is in a country's rate of economic growth, although it certainly is a factor. A recently published study by the Brookings Institution indicates that your faster growth did not result from any magic formula, nor even from the creation of the Common Market and EFTA. Rather, you had a shift of resources out of agriculture into industry and a diminution of accumulated slackness.

The Issue: Balancing Power

If technological prowess will not make your economy grow faster, it will nonetheless help you to keep pace in certain key industries. Earlier this year, British Prime Minister Wilson warned that failure to keep pace would result in "an industrial helotry, under which Europe produces only the conventional apparatus of a modern economy, while becoming increasingly dependent on American business for the sophisticated apparatus that will call the industrial tune in the 1970's and 1980's." While I think this statement tends to exaggerate the dangers involved, it does point up the fact that what we are dealing with is an issue of balancing power. And it is as much in the interest of the United States as of Europe to see that the imbalance does not become greater and greater.

What can be done about it? I cannot condemn those in Europe who have reacted protectively to the expansion here of our businesses—including, of course, our banks. The United States itself was hostile to foreign ownership of its industry in the early days, for much the same reason. We did not want to be controlled by foreign interests, and very much wanted to develop a viable industrial capacity of our own. Fortunately, for us, we failed to keep you out! Your massive investment was essential to our growth. By the same token, I hope you will not use our mistaken protectionism of the past to justify a similar course in Europe now. In any event, the Europe of today is hardly the fledgling that America was when she was first trying to establish her independence.

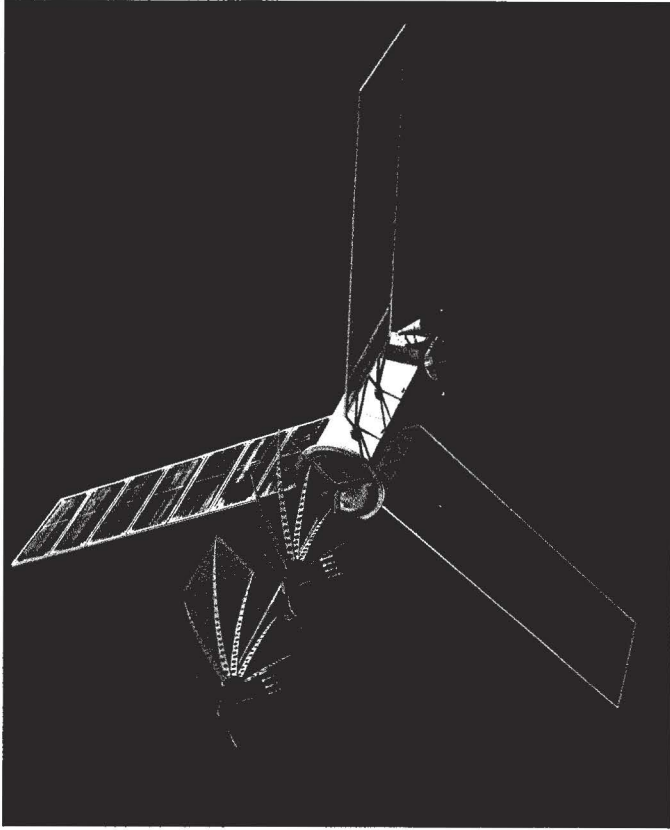
Where, then, should the line be drawn between excessive protectionism on the part of the invaded country and excessive aggrandizement on the part of the invading industry? Each side will inevitably take a different view of his own and the other fellow's excesses. I suggest Europe should acknowledge the proven benefits of open frontiers, permitting others to help you exploit your resources. Isn't this, after all, a fundamental premise of the Common Market and the European Free Trade Association which you have formed yourselves?

What Might the U.S. Do?

Let me turn now to some specific suggestions, starting with what the United States might or might not do. First, a few negatives. We should *not* "go home." I don't believe you want this. American business operations overseas are a major conduit for the flow of technology—in both directions, but particularly from the United States to other countries. Those American companies that operate abroad tend to be the ones which are more technically advanced.

We should not give Europe privileged assistance. You don't need it. It would be unrealistic to expect it. And it would be unfair to those parts of the world which did not share in it.

Finally, I do *not* find fault—as some Europeans seem to—



"In aeronautics you are making an impressive display of the benefits of international collaboration." Through INTELSAT, an international consortium partially owned by the Communications Satellite Corp., 56 countries are participating in the development of a satellite for an orbiting relay station. COMSAT, acting for INTELSAT, awarded the contract to the Lockheed Missiles & Space Co. Subcontractors include the Société Anonyme de Télécommunications (SAT) of France, Cossor Electronics Ltd. of Great Britain, and Selenia SpA of Italy. PHOTO: Courtesy of the Lockheed Missiles & Space Corp.

with the fact that my government supports a relatively large part of our research effort, particularly through the Defense Department. Superior United States military power is, of course, still critically important to all of the western world. While East-West relations may be improving in some respects, the situation inside the Communist world itself is, to say the least, uncertain.

My affirmative suggestions for the United States fall into two broad categories: attitudes and cooperation.

United States business must be constantly alert to the consequences of excessive zeal in operating overseas. Above all, it must not act as if Western Europe were an inevitable ally. In defense of American policy, I should say that the overriding program of the United States government—and, in a sense, the overriding program of the larger American companies—has helped you and has been encouraged by most of you. In the case of the government, I mean our support for the creation and strong development of the Common Market, including the membership of Britain and others who qualify. There are many Americans who still cannot understand why we should help Europe become a more effective competitor, so this policy has required some commendable fortitude in Washington.

American industry has also helped with an attitude which is doubtless easier for us from the outside than it is for you on the Inside—namely, the attitude of treating Europe in its full dimensions, rather than being inhibited by national boundaries and the national habits that go with them.

There is also a practical business aspect of partnership. We Americans must remember that true partnership is as attractive to the European businessman in his affairs as it is to the European politicians in his. By this I mean operating overseas with local interests as partners rather than unilaterally, participating actively in management, and encouraging efforts to support local economies. Managers who represent United States companies abroad must be men who relish the challenge of doing business in new ways and with new hazards, but who also see the potentiality of new rewards. The manager going overseas should have at least a working knowledge of the language of the country in which he is settling, know something of its history, culture, institutions and national goals, and have a desire and ability to know the people. Only with such a background can he hope to bring about respect for his business and understanding for his country.

As a final point on attitudes, we in the United States must make sure that our door is wide open to your entry. We say that it is, but I realize you run into resistance in specific cases and places. I also realize that an invitation to do business in an enormous economy can be frightening on its face. May I point out, though, that Pechiney with two American partners opened an aluminum reduction mill in our northwest last year; that Olivetti—not without hard work—has turned a major American company from a losing operation into a profit maker; and that Lord Thomson of Fleet owns three dozen United States newspapers. Volkswagen says that its American sales helped appreciably last year when sales at home declined. I would venture that a capable European auto producer might survive in actual United States production where some Americans have failed.

My second suggestion involves cooperation. I mean, in this instance, cooperative exchange of information and ideas. There is an immense fund of information available for communication. One of the most revolutionary aspects of technological change today is in this very area—information and communication. We must use it to our mutual advantage.

Actually, the most important direct contribution that we can make to Europe's technological development, I believe, is to do more of our own exploratory research over here, using your research brains in their own countries. If our operations are going to be international—and they must be for the good of all—then the benefits must be widely shared. Any other approach would be self-defeating. The sewing machine came from France and the swing-wing, variable geometry principle for aircraft from Britain—not to mention most of the basic work on nuclear energy, antibiotics, jet propulsion and radar, all of which we owe to European research.

What Can Europe Do?

What might Europe do for itself, in addition to the many things it is already doing? Starting again with attitudes, at the risk of sounding American (which I am) and even Texan (which I am

not) let me urge that all of us think on a grander scale: not of individual countries, not of a Common Market with six or seven or ten members, not even of whole continents, but of the world.

The new types of aircraft, the communications satellites which bounce live television signals to American sets from European cameras, the computers which greatly simplify operations—the whole technology revolution is rapidly diminishing geographical boundaries. The old ways of doing things may be the comfortable ways, but they are fast disappearing. Trying to prevent their disappearance will help no one. Remember, we are the leaders of the free world. The two billion people who live in chronic underdevelopment can never hope to prosper without the help of the Atlantic Community.

With this in mind, some conditions in Europe today seem inconsistent with present and future trends and responsibilities.

First, the progress of the Common Market has been slow, both in the development of common policies among its original members and in the enlargement of the membership to make it truly European. I know it is difficult, but I cannot believe it is impossible. A viable Europe is impossible without closer internal cooperation.

In aeronautics, you are making an impressive display of the benefits of international collaboration. But in atomic energy and space, one senses that Europe's attempts at collaboration are guided perhaps too much by the partner's thoughts of their own

"Greater emphasis would seem to be called for on providing management education of high quality."



immediate self-gain, and too little by thoughts of the common objective. An exception is the splendid Geneva laboratory of the *Centre Européen de Recherche Nucléaire (CERN)*.

There arises in my mind also a very real question of whether you are investing enough. Your capital resources are limited, you will say, and there are other essential needs competing for their use. My reply is that it may be far more expensive for you later to neglect this investment now, and, if you do, you may have much further to catch up.

In my own field, finance, and in industry generally, Europe has a pattern of what appears to me to be insufficiently large scale. In finance, I think we have been helping you to discover and develop your own capacity. In industry, there has been an enormous wave of mergers, I realize, but why are there still only a few companies that transcend national boundaries?

Finally, it surprises us in the United States that you pay relatively little attention to management training in some of the newer scientific disciplines. With all due respect to classical study—and to our great debt to you for its perfection—you seem to be neglecting some of the essentials of modern economic development, especially the science of management. It is under American sponsorship that Western Europe's first graduate school of science and technology is being organized right now.

The technology gap is, in part at least, a management gap. There appears to be great reliance on management by intuition in Europe, while the United States has developed sophisticated management techniques—many of them the result of industry's close ties with the colleges and universities. Greater emphasis would seem to be called for on providing management education of high quality and creating an environment in which European managers are able to work more effectively.

If one examines the technology gap closely, he realizes that the American advantage comes not so much from the discovery of new ideas and methods as from their application. It has to do basically with capabilities in management, engineering, and marketing. In short, the willingness to take risks and to accept change. Yet there is no reason why the United States should be more receptive to change than others. Indeed, Europe's greatest natural resources—by which I mean her history of accomplishment in basic research, her respect for excellence and personal achievement, and her established systems of national and international planning—equip her well for change.

I am happy to say that the lag between the rate of innovation in the United States and Europe is certainly not the outstanding feature of our relationship. Rather, it is a reflection of the fact that the United States does have an over-all economic lead in the world today.

The important thing, I believe, is the historical implication of the technological explosion in which we are all engaged. Technology is a massive force that is leading us toward international integration and mutual development and away from divisive nationalism.

The technological revolution will benefit us all if we make the most of it, and we will all suffer if we don't. It is essential that we use it to improve our inter-relationship, to attack our mutual problem of helping less fortunate nations to develop, and to improve the quality of life among the disadvantaged in our own countries as well.

Commission Favors Negotiations

On September 29, the European Communities Commission submitted to the Council of Ministers its report on the requests of the United Kingdom, Ireland, Denmark, and Norway for accession to the Paris Treaty creating the European Coal and Steel Community, and the Rome Treaties creating the European Economic Community and the European Atomic Energy Community. The concluding section of this report appears below, in an unofficial translation from the French.

ANALYSIS OF THE CHIEF PROBLEMS POSED by the enlargement of the Community reveals that the accession of new members such as Great Britain, Ireland, Denmark, and Norway,¹ with political and economic structures and development levels similar to those of the present member states, could strengthen the Community and, at the same time, give it an opportunity for further progress—provided that the new members accept the provisions of the Treaties and subsequent decisions to implement them. The applicants have said that they are disposed to accept them, so that despite the great changes their accession would bring to the European Communities, it would not be likely to alter the Communities' fundamental objectives, basic features, or methods of operating.

The Commission would like to restate the conditions which would have to be fulfilled if a satisfactory enlargement of the Community is to take place.

The new members would generally have to accept the arrangements already adopted by the original members before the enlargement, subject to any exceptional adjustments that may be made. In particular, they would have to accept:

- the Community customs tariffs as they emerge from the recent multilateral negotiations under the GATT and their gradual application to all non-member countries, along with all the rules necessary for the proper functioning of the customs union.
- the basic principles of the common policies along with the provisions for their implementation, particularly in the economic, financial, social, and agricultural fields, and their progressive application
- the Communities' contractual obligations towards non-member countries (association agreements, trade agreements, etc.)
- the Communities' institutional machinery as created by the Treaties and the decisions taken to implement the Treaties, subject only to those changes necessitated by the accession of new states. These changes would have to be made in such a way as to allow the institutions to continue to function effectively and to retain an appropriate balance in the representation of the various member states.

Furthermore, the new members, especially the main one, the United Kingdom, would have to reach agreement with the original members on the solution of a number of problems which would be of vital importance for the harmonious development of an enlarged Community:

- the reestablishment of lasting stability in the British econ-

omy and its balance of payments, which would involve concerted action between Great Britain and the member countries of the Community, and an examination of the ways and means by which the present international role of sterling could be modified so that the pound could be integrated, together with the other member nation's currencies, into a Community monetary system

- the principles of a common policy in the field of research and technology, including atomic energy, and the general lines such a policy should follow
- the financing of all Community activities, including the agricultural policy
- the establishment of relations with European countries—especially any EFTA countries which do not join the Community—and with the less-developed countries, particularly the Commonwealth countries. (These are urgent problems which would assume new forms through the very fact of expanding the Community.)

Finally, the new membership applications induce the Community to broach the problem of its own internal development simultaneously with that of its enlargement. There are conflicting opinions as to which objective deserves priority. The best way of overcoming the difficulty would be to try to attain them both simultaneously. However, to carry out this difficult task successfully, the enlargement of the Community must not be allowed to interfere with the normal activities of the Community or weaken its internal cohesion and dynamism. In particular, it must not interfere with the completion of the economic union—or the measures of harmonization and the functioning of the institutional machinery needed for it.

The Commission realizes that the cohesion and dynamism of the Communities depend to a great extent on the convergence of national policies in essential areas. If the Community is to take full advantage of the opportunities which expansion offers for it, it is apparent that member states should within a reasonable period be able to make progress along the road to political union.

It follows from the considerations set forth in this document that the Commission does not now have at its disposal all the information needed to give in final form the opinion requested by the Council under Article 98 of the Paris Treaty and Articles 237 and 205 of the Rome Treaties. Choices of considerable importance for any evaluation of the impact which the new members would have on the Community are still to be made. General conclusions which would enable the Commission to give a final opinion can not be formulated until it knows the position of the candidate states on a number of essential problems, the response of the present member states to these positions, and the solutions to the main problems discussed in this document.

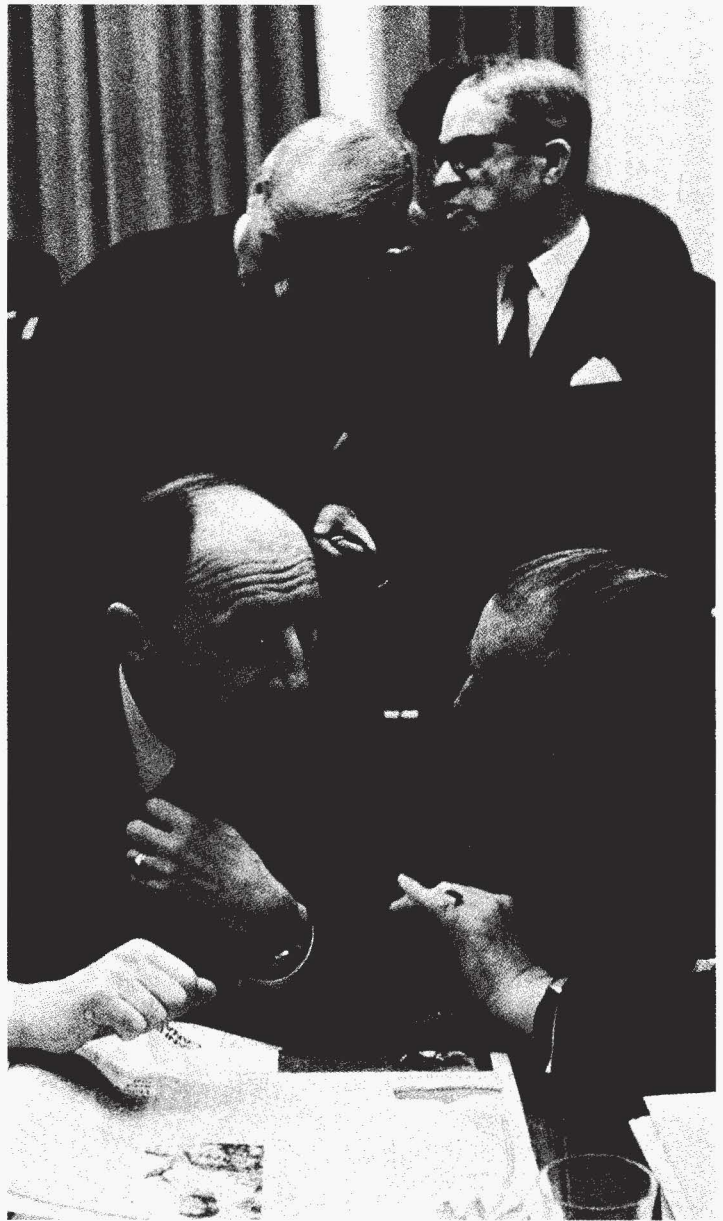
In order to dispel the uncertainties that still persist, particularly on certain fundamental points, it is the Commission's opinion that negotiations should be opened, in the form most appropriate, with the states which have applied for membership. These negotiations should be opened in order to examine in more detail, as is indeed necessary, the problems brought out in this document and to see whether arrangements can be made under which the indispensable cohesion and dynamism will be maintained in an enlarged Community.

¹ This note refers to Title I, § 35, of the report, regarding Sweden, which reads: "Sweden . . . in its application of July 26 maintains the familiar reservations concerning its policy of neutrality. This being so, the Commission considers that membership for Sweden should only be considered if the negotiations with that country showed that it was able to accept the Community's political aims without reservation. The Commission is, however, aware of the fact that should this not be possible the unity of the Nordic market established within the framework of EFTA could be jeopardized. (In 1966, 20 per cent of Sweden's total exports, half of these finished industrial products, went to Denmark and Norway, as compared with 16 per cent in 1960.)"

COUNCIL BEGINS DEBATE



Couve de Murville, French Minister for Foreign Affairs, and Jean-Marc Boegner, French Ambassador to the Communities, relax during a pause in the meeting.



J.M.A.H. Luns, Dutch Minister for Foreign Affairs, confers with Dirk P. Spierenburg, Dutch Ambassador to the Communities. Standing (right) Jean Rey, Commission President talking with an unidentified person.



Willy Brandt, Minister of Foreign Affairs for the Federal Republic of Germany, is interviewed by newsmen after the initial discussion of the Commission's report by the Council of Ministers. (For news report on meeting, see Council story page 17.)

Journalists intercept Italian Foreign Minister Amintore Fanfani (center) leaving the meeting.



British Entry- Commentary

HENDRIK PETERS, *SEP European Information*, Issue No. 61, October 1967, Brussels.

The new Common Market Executive has shown its ability to come to a swift decision on very difficult technical and political matters. It has done so in a bold summing-up of the preliminary requirements for economic unity throughout Europe.

The Commission has made clear its view that the common agricultural policy, the common customs tariff and the common decision-making procedure must be preserved in a Common Market expanded to ten members. Co-operation should also be introduced in other sectors, especially research and monetary matters.

In view of the state of the British economy, it is held in Brussels that the UK needs to make further efforts to set its house in order if joining the EEC is not to cause considerable difficulties.

DAVID SPANIER, *The Times*, London, October 20, 1967

If the Common Market has learnt one thing from recent experience, it is the necessity of avoiding head-on rows. . . . "In this difficult question in which two almost irreconcilable views are diametrically opposed," as the Chancellor recently told the *Bundestag*, "it is a matter of keeping the Six at one table, and to prevent a clash as once happened. To do this it is not enough to say the five are for it and one is against . . . so the only thing is to find a procedure which . . . guarantees a truly practical discussion of problems on which differing views are held among the Six." . . . Bonn stands midway between the passionate negativism of General de Gaulle on the subject of British entry and the almost unqualified enthusiasm of the Benelux countries. If either side could win Germany over, it would carry the day. But, as so often in Common Market affairs, Germany is a reluctant arbiter, anxious to offend neither side.

MAXIM FACKLER, *Sddeutsche Zeitung*, Hamburg, October 19, 1967

Herr Brandt did not go to Paris as a mediator. His aim was to see whether there is anything on which mediation is possible.

General de Gaulle, however, is not the man to welcome mediators with open arms. Mediation would also be fraught with difficulties because the other EEC countries still view Franco-Federal Republic cooperation with a degree of suspicion. They feel it to be a clandestine alliance within the Community. . . . Only all Six together can open the gate for additional members, each of which must receive unanimous approval. In Paris Herr Brandt was told, not for the first time, that General de Gaulle is not in principle opposed to British membership. . . .

The Commission's report on Britain's entry application was severe, so much so that Paris now has no difficulty in asserting that the Six must keep to themselves for the time being.

MAURICE COUVE DE MURVILLE, French Minister of Foreign Affairs, *Organisation Radio, Télévision Française*, October 24, 1967

The Council of Ministers of the European Economic Community has, over the course of yesterday and today, held a first exchange of views on the problems posed by the requests for membership of Great Britain and of three other European countries. . . . The French delegation . . . took the position that these membership requests raised a number of questions . . . and that it was appropriate for the Six, together, to study these questions among themselves and to try to arrive at common positions. There are essentially three questions: . . .

- The entry of four new countries into the Community—that is, the enlargement of this Community—could entail a profound transformation of the present situation. . . .

- It is necessary that the country that joins be able to take the commitments requested of it and be in a position to keep them. . . .

- The commitments that would be requested of the new members, . . . everything regarding, for example, the common tariff, for Britain, the Commonwealth, the agricultural policy and its financial regulation and so on.

The future of the European Community is not at stake. . . . The entire problem is to know what is the situation of these new members and what commitments they would take.

CHRISTIAN SCIENCE MONITOR, Boston, Mass., October 27, 1967

The French rebuff, defeating Mr. Wilson's hope to have a definite answer by the year's end, is bound to cause Britons once again to regard possible alternatives to Common Market membership. An Atlantic free trade area embracing Britain, the United States, the "white commonwealth," and Japan has been discussed, especially in Canada. A closer British economic association with the United States will again be pondered.

JAMES CALLAGHAN, Chancellor of the Exchequer, Excerpts from remarks made at the Lord Mayor of London's dinner to the bankers and merchants of the City of London, Mansion House, October 26, 1967

Sterling is a great world currency whose links extend to every Continent. Many nations both inside and outside Europe use it for their own purposes and advantage and it is therefore obvious that Britain's application to enter into the EEC does bring up the question of how best this great world currency can be fitted into the monetary and economic pattern of Europe . . . the existence of this currency, coupled with the expertise of the City of London, presents Europe with new opportunities for financial and commercial expansion.

With Britain in the Common Market, fuller use could be made of this instrument at the service of Europe, and with constructive and imaginative statesmanship we could prepare for a new stage in the evolution of the world monetary system. . . . The question now is whether Europe would wish to take advantage of Britain's application for entry to propel the evolution in a particular direction and so gain greater influence for the Community as a whole. If so, we are ready to discuss such an evolution. We will sit down with our partners for serious negotiation, assuming as we do that their propositions are put forward in a spirit of constructive questioning.



Modern man "needs a way of defending the robust qualities in local and provincial peculiarities—whether in cooking or in any other activity." Snails, as prepared above, can be bought at stands in Brussels as easily as hamburgers can be bought in the United States.

The Sociology of Gastronomy

by LEO MOULIN

Mr. Moulin, Lecturer in Sociology at the College of Europe, Bruges, recounts some of the changes industrialization and affluence have caused in modern European cuisines, and ventures some forecasts on the gastronomy of the future. Some of Mr. Moulin's comments on European attitudes towards canned and frozen foods may sound like pure flights of fancy to younger American readers. Articles in American newspapers and magazines of two decades ago will, however, confirm that frozen and prepared foods met similar resistance here before they became household fixtures. Furthermore, the first widespread American interest in the fine art of cooking developed only after the advent of court bouillons in jars, frozen minced herbs, and other mass-produced short-cuts and time-savers in the kitchen.

FEEDING HABITS, the art of cooking, and gastronomy tell the story of a civilization, its culture, and society.

An industrial society, according to Professor Raymond Aron's definition, is characterized by ever-increasing leisure but, more noticeably still, by mass production, dense population, rapid urban development, ever-advancing democratization, full employment, general prosperity, and increased social security. Feeding habits and gastronomy in such a society are bound to differ from those prevalent during the last century. What have the sociologists and economists observed of these habits?

Rich countries and individuals, the experts have long realized, spend a much smaller part of their incomes on food than

do the poor. Whereas Greece, for instance, spent 45.8 per cent of her income on foodstuffs and beverages in 1962, France spent 37.6 per cent, while the United States spent 24 per cent. In Belgium, the following year, manual workers spent 40.7 per cent of family income on food, compared with 31.1 per cent spent by white-collar workers. These percentages, of course, cover vast differences in purchasing power as well.

Feeding habits and, consequently, the proportion of the budget spent on food also vary by social class, age, season, and sex. Beyond a certain minimum living standard, social and cultural factors exert a much greater influence on feeding habits than do differences of income, and readiness to experiment gastronomically is much more closely related to levels of intelligence.

A rise in the standard of living causes a fall in the consumption of "poor people's foodstuffs" (bread, bacon, leguminous vegetables, and potatoes) and an increase in consumption of the "noble foodstuffs" (meat, milk, eggs, fruits, wines). For example, when annual per capita consumption in the United States averaged 104 pounds of potatoes and 187 pounds of meat, the corresponding figures were: 278 pounds of potatoes and 139 pounds of meat for the Federal Republic of Germany, and 209 pounds of potatoes and 156 pounds of meat for the United Kingdom. Today, "noble" foods are being consumed in ever-increasing quantities.

It is also worth noting that, except in countries which traditionally use oil in some cooking, margarine usually accounts for a higher proportion of rich countries' total "visible" fat consumption than it does in poor countries. In 1960, this proportion amounted to 43 per cent in Belgium, 55 per cent in Denmark, 58 per cent in Sweden, 59 per cent in the Netherlands and 81 per cent in Norway, but only 14 per cent in Ireland and 20 per cent in Austria. In 1961, the annual per capita consumption figures put margarine ahead of butter in six butter producing countries: Denmark, Germany, the Netherlands, Belgium, Norway, and Sweden. All European countries consume more margarine now than they did before the war.

Clandestine Consumption of "Stuff in Cans?"

Invectives against "stuff in cans" notwithstanding, the production of preserved foods is increasing everywhere, even in countries that consider themselves gastronomical Meccas. Mass-production for a mass-society, demands of the affluent (particularly city-dwellers), and constant improvements in quality are eroding prejudices against preserved foods. In addition, more and more women are taking jobs outside the home and opening their doors wide to canned and frozen foods, condensed and dehydrated soups, and heat-and-eat meals. Traditional family cooking is gradually giving way to simplified, or even rudimentary, domestic cooking, a transition assisted, too, by the shortage of domestic help.

Lunch is ceasing to be a family meal. Husbands are away at work all day and fewer school children go home for their mid-day meals. These new habits inevitably increase the number of lunch counters, snack bars, cafeterias, and school lunch rooms. Luncheon menus, not always dietetically rational, are at least functional (and not necessarily poor in quality).

In any case, the art of eating as perfected and revered by the leisured few in bygone days is becoming a secondary inter-



With more money to spend, people eat less bread and potatoes and more "noble" foods—meat, cheese, and eggs.

est. Particularly in the "transitional classes," the television obsession and the unbelievably keen desire to own a house and a car hold the attention of the majority, relegating the art of good eating and drinking to a secondary position.

Many young couples, early encumbered with family commitments, entertain simply, owing to lack of time and money. Many other "not-so-young" couples call in caterers. Sometimes, a centrally located restaurant supplants the home; guests are invited, from the widely scattered districts of modern conurbations, to meet the hosts there.

Modern man bridles his appetite constantly, at least in the Atlantic countries. For the first time in history the gnawing fear of hunger has given way to the equally acute fear of cholesterol and coronaries. The desire (and possibility) to look young for a longer part of a continually lengthening average life span and the determination to grow old gracefully without too many aches and pains motivate the twentieth century epicure.

Nineteenth century menus already belong to a legendary past. They were the work and preoccupation of that *conquering bourgeoisie* which began to surrender their seats of power to "new masters" a half century ago. The new upper middle class—executives, managers, technocrats, trade union leaders, and

the heads of large concerns—have succeeded the men of private means, landed proprietors, and notables.

Is Gastronomy a Dying Art?

Can gastronomy adjust to tomorrow's industrial society? The process has already begun. Family cooking no longer stands at the gastronomical apex. No longer is gastronomy necessarily identified with the banquet or the business dinner, where sumptuousness, copiousness, and slowness too often displaced quality, delicacy, and rhythm, three requisites of the art of fine eating. The new gastronomy remains the unsurpassed instrument of conviviality, but breathes a fresh spirit of holidays, long week-ends, adventures of travel, relaxation, and the break from routine. Gastronomy today is as far removed from the everyday meal as leisure (*otia*) is from work (*nec-otia*) or business.

Sociologically, this is why Greek, Yugoslav, Spanish, Hungarian, and even Chinese restaurants proliferate in the big cities of the West. The presence of Chinese restaurants proves that travel abroad, one manifestation of the desire to escape from everyday monotony into the novelty of foreign places, is not the determining cause of the enthusiasm for foreign cooking. (How many Europeans have visited China?) Chili, chutney, Formosa pickles, foods cooked with beer—what else can they be but evidence of this desire for escape abroad?

Still further proof of this desire is the buying policy of the department stores. Amenable to the demands of the new mid-*"Restaurants and inns should become oases of tranquility."* Off-season at the Tour d'Argent restaurant, overlooking the church of Notre-Dame, Paris.



Sidewalk cafés like this one in Luxembourg will retain their own special place in the gastronomical hierarchy of tomorrow.

de classes, they are offering an increasingly diversified range of products more and more remote, exotic, puzzling, and seductive for the average customer who soon becomes addicted to them.

Successful Menu Caters to Peripatetic Palate

Catering to the would-be traveler, sure-to-succeed menus list a variety of original and authentic dishes. Variety, originality, authenticity—these qualities are rarer than we think.

I can order fillets of sole, grilled steak, *scaloppina al marsala*, and sauerkraut, in almost anywhere in Europe and in nearly every restaurant. Occasionally, perhaps, you can find tripe, kid from the spit, Liège salad, Flemish stew, and among the cheeses, Murol from the Auvergne. But hundreds of other equally tasty foods never appear on a menu. Variety and originality are certainly required and should be sought, not so much by crude mixture and novel juxtaposition of various flavors as simply by preparing dishes seldom seen on restaurant menus. As for authenticity, why should a Greek restaurant want to substitute the ubiquitous potato chips, cheeselets, and salted nuts for succulent black olives?

Modern man spends most of his life in the perforce artificial, if not sophisticated, surroundings of big cities. A being no longer haunted by fear of hunger, for him eating is more an entertainment than the satisfaction of physiological necessity. Through his meals he can again experience the simple country life, admittedly in the most refined forms, but also the most genuine. This explains the current vogue for various regional *cuisines*, even in occasionally over-simplified versions, and of local wines and cheeses. This return to local and provincial modes of living, if you like, is another manifestation of man's desire to get away from the routine of life and everyday surroundings.

With varying degrees of success, restaurants try to satisfy this craving. To transport the customer to some other age or place, or make him feel cosy and at ease, they give their estab-



lishments names with a past (The Spinning Wheel), or call their restaurants after themselves (Foyot's, Maxim's). Modern man needs a way of identifying with his past. Threatened as he is by increasingly herd-like modes of life, he needs a way of defending the robust qualities in local and provincial peculiarities—whether in cooking or in any other activity.

Outlaw a Euro-cuisine!

Staunch European that I am, I would oppose European integration if I thought a united Europe could only be attained by the systematic sacrifice of every national and regional idiosyncrasy. Fine eating is a perfect illustration of my European thesis. There should be no attempt made to create an international or "European" style of cooking. Too many big hotels now leave it to their guests to add salt, and ban the "controversial" spices from their menus. Let each style of cooking be itself—fully, resolutely, and without complexes. The "great meal" of modern gastronomy will then consist of a symphony of flavors—delicate or strong—but authentic.

Chroniclers of gastronomy will then convey the significance and depth, the human dimensions of the region, whether poor or rich in culinary treasures. They will patiently teach the taste for genuinely original, regional foods and the desire and ability to discover, through their *cuisines*, the hearts and souls of the people who invented it, practice it, and like it as it is.

Travelers are already serving an apprenticeship in acquiring the desire and the ability to respect others for their own irreducible authenticity. This is why sociologists interpret the proliferation of foreign and regional restaurants in modern cities as much more than a sign of people's curiosity. They consider it proof of a rise in Europeans' social and cultural levels. Europe is really becoming ready to unite in diversity.

Tomorrow's Temples for Fine Eating

Since one of the main functions of fine eating, perhaps even the main function, will be as a means of breaking away from *Restaurants like this one in Brussels will continue to sell "business-men's-lunches" without competing with the "temple of gastronomy."*

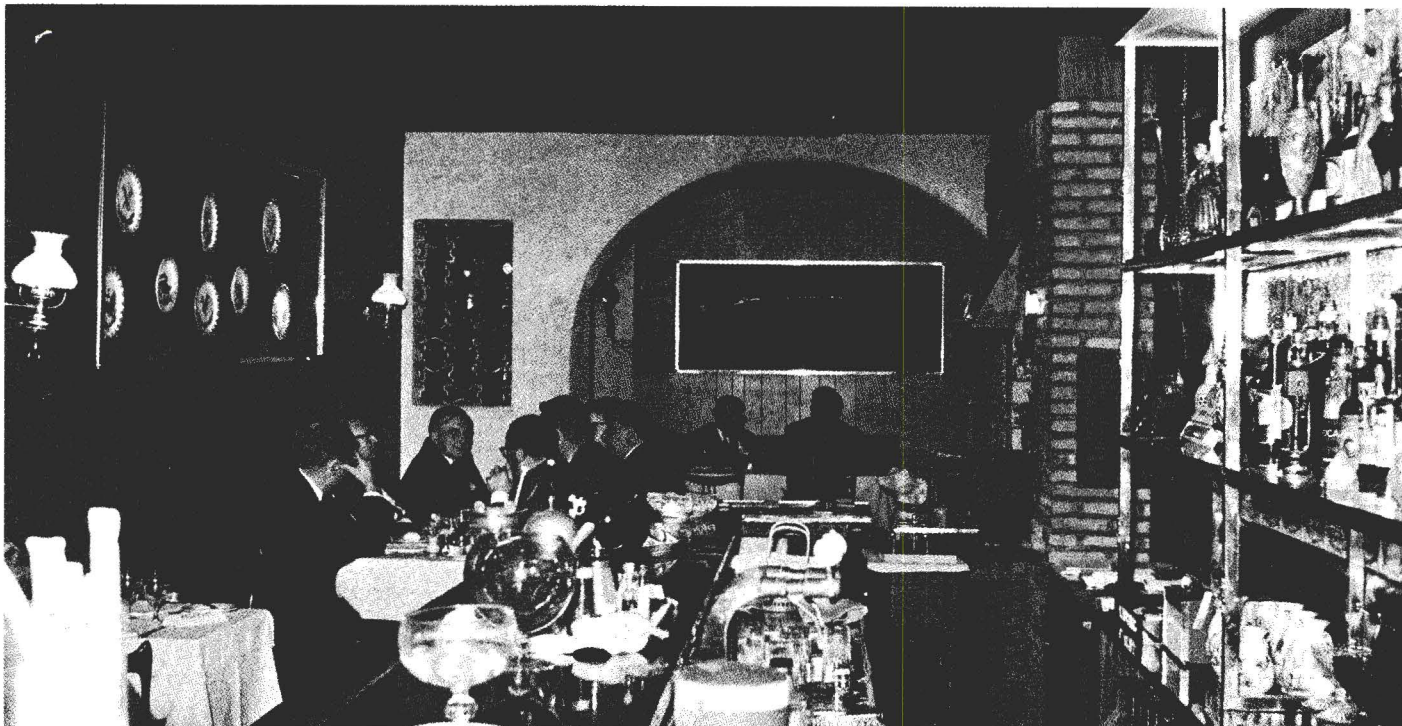
hectic city life, restaurants and inns should become oases of tranquility where the most precious, the rarest (and the costliest) possession a town-dweller can obtain will abound, namely, peace and quiet. In these temples of gastronomy, gentlemen will be requested, in a kindly fashion, not to spoil a good meal by talking business or politics. As the epicure tastes his food as much with his nose as his palate, smoking will be banned and ladies requested to wear only faint perfumes.

Such restaurants will not replace the everyday lunch counters, the drive-ins, the sumptuous cosmopolitan hotels, the expense-account-dinner-emporia, or lovers' trysting places. Being quite different, they will, quite naturally, have their own place, and a devoted clientele to support them.

Customers will come from a broader social spectrum. As we have just seen, gastronomical curiosity and readiness to try new flavors depends much more upon the customer's social and cultural level than his income group. Rapidly losing its "proletarian" traits, the working class is becoming part of a new middle class which will form the backbone of the new industrial society. More numerous, more prosperous, more cultured, open to new ideas and receptive to new experiences, and eager to escape, such a society cannot avoid being tempted sooner or later by the subtle "expatriation" and authenticity of true gastronomical adventure. Pessimists may say it will take a long time for these groups to reach such a degree of civilization. I cannot agree.

We are witnessing and participating in a stupendous acceleration of historical progress under the catalysts of travel, television, paperback books, and other mass means of communicating ideas and opinions.

It was centuries before the noble and patrician classes of Rome attained the high degree of refinement that some of them eventually reached. Why should we worry if the middle class of tomorrow's industrial society need a few decades to learn the full, intelligent appreciation of the purest joys of gastronomy?





The European Court speaks "with a single voice," deciding cases by a majority vote. No dissenting opinions from the Court's decisions are ever published, contrary to practice in the common law countries. Members of the European Court (left to right): Robert Lecourt, Riccardo Monaco, Alberto Trabucchi, Andreas Matthias Donner, Walter Strauss.

The Single Voice of the Court

by A. M. DONNER

A. M. Donner, a member of the European Court of Justice at Luxembourg since 1958, has completed two three-year terms as chief justice, or "President" of the Court. In this article, he explains some of the functions and unusual features of this international and quadrilingual court which also has certain quasi-municipal functions.

THE COURT OF JUSTICE of the European Communities has the same constitutional status as the other Community institutions—the European Commission, the European Council of Ministers and the European Parliament. Seven judges sit on the bench of the court assisted by two advocates-general. Each of the nine magistrates is nominated for a six-year term which is renewable.

Article 164 of the Common Market Treaty defines the functions of the Court in a general way by providing that the Court of Justice shall ensure the observance of law in the interpretation and application of the Treaty. This function is exercised in various ways.

In the first place, the Court must ensure that member states observe the Community law. The Treaty provides that a member state or the European Commission, if they consider that another member state has failed to fulfill its obligations under the Treaty, may refer the matter to the Court and institute proceedings against that member state before the Court. If the

Court finds that the member state in question has failed under law to fulfill any of its obligations, that state is bound to comply with the Court's ruling. Although the Court has not yet had to rule on litigation between member states, it has ruled on disputes brought before it by the European Commission. In these, the Commission has always obtained satisfaction, the Court ruling in favor of its interpretation of the Treaty and the member states concerned implementing the given ruling without undue delay.

Secondly, the Court must ensure that the Community and its institutions themselves observe Community law. To that end the Court has been given the task of supervising the legality of the acts of the Council of Ministers and of the Commission. Should a member state or a concerned private party consider an act contrary to Community law, it may institute proceedings against the author of the act. The appeal must be based on one of the four following grounds: lack of jurisdiction, substantial violations of basic procedural rules, infringement of the Treaty or of any rule of law relating to its implementation, or misuse of powers (*détournement de pouvoir*).

Private Citizens May Bring Suit Directly

The startling aspect of these provisions does not lie in the fact that member states may appeal against any Community decision or Community rule. That seems a matter of course, once

you have a Court of Justice. The innovation is that a similar right of appeal has been given to private parties, who in effect are invested with the status of European citizens. They can directly challenge the Community institution without being obliged to resort to the intermediary assistance of their national governments.

The effects of this right for private citizens should not be overestimated. Even very big firms will only exceptionally be directly concerned by acts of the Community authorities. These acts, as a rule, concern the member states and their civil services, and it is on the national civil services that the task of implementing the Treaty devolves. For example, the common external tariff and the various agricultural levies are applied not by a Community institution, but rather by the customs services of the six member states. This "indirect administration" implies that grievances concerning the actual duties levied are related not to acts of the Community but to those of the national authorities. Accordingly, any judicial review should be sought not in the Community Court but in the domestic courts that have jurisdiction over such acts of national authorities.

Preliminary Ruling

The Court possesses the power of preliminary ruling to help avoid the dangers of diverse interpretation of Community law



Robert Lecourt, a member of the Court since 1962, was appointed its President on October 8, succeeding Mr. Donner.

that might easily result from a dispersal of the power of judicial review among the courts of the six member states. Article 177 of the Common Market Treaty provides that where questions concerning the interpretation of the Treaty or of any Community act, or concerning the validity of such acts, are raised before a court of law of a member state, the municipal court may refer the dispute to the European Communities Court of Justice for a preliminary ruling. In certain cases, the municipal court *must* refer the dispute to the Court of Justice—whenever the preliminary ruling would influence its own decision. Thus, this type of ruling is intended to inform the national court of the rightful interpretation of Community law. In this way a uniform interpretation of the rules concerning the Community is ensured. Most of the European Court's work right now involves such requests for preliminary rulings made by the various national courts.

The close collaboration between the member states' domestic courts, on one hand, and the Community Court, on the other, is the most interesting feature of the judicial framework provided by the Treaty. It provides a good example of the way in which so-called "integration" is implemented: not by simply transferring the national judicial powers and vesting them in a European Court, but by letting the old-established judicial organs retain their full powers, subject to a certain coordination and unifying activity by the Community judges.

A Quadrilingual Court Spanning Six Legal Systems

A particular feature of the Court is that it has no uniform language of procedure. All four official Community languages, French, German, Italian, and Dutch, are equally admitted. The language in which a case is heard depends on the nationality of the claimant or, in cases of requests for a preliminary ruling, on that of the requesting court. Parties may proceed with the assistance of a barrister of their own language and, as far as necessary, the Court service ensures an adequate translation and interpretation of his written and oral pleadings into the other languages. The Court also gives its ruling in the language of the procedure but it is published in all four official languages.

The varying legal backgrounds of the judges sometimes create a problem much more difficult than these differences of language. As lawyers we come from six different systems of law, each with its own legal notions and legal preconceptions. Even if it is not too difficult to agree about the ruling we should hand down, it may be much harder to agree about the reasons for that ruling. In fact, the rules of procedure of the Court do not admit any dissenting or separate opinions. The ruling is given as a common sentence of the whole bench; and, even if a minority of judges should disagree, such disagreement will remain secret.

In my experience, this is a good solution. If dissenting opinions were allowed, we would easily risk a splitting up of the bench into two schools, one predominantly "Latin," the other "German." It is superfluous to point out that such a trend would not contribute to the development of a common European approach. To give the Court of Justice of the European Communities its full authority as the final interpreter of Community law, it is preferable that it speak with a single voice.

COMMUNITY NEWS

COMMUNITY REVISES 1967 GROWTH FORECASTS, BUT PREDICTS "SLIGHT" RECOVERY BY YEAR-END

The poor performance of its economy has frustrated the Community's growth expectations for the third time this year.

Gross Community product in real terms will increase 2.5 per cent according to the third quarterly economic survey by the European Communities Commission. In the first survey, tentative forecasts made at the end of 1966 were dropped from "a good 4 per cent" to "3.5-4 per cent." By early summer, when the second survey was published, it then seemed that real growth would be closer to 3.5 per cent. The Commission said, in the third survey, that the final results of the first quarter showed that both private consumer expenditures and production had grown less than had been estimated. This, rather than the outlook for the remainder of the year, had influenced the new downward revision.

Internal Demand Continued to Weaken

The second quarter of 1967, the period covered by the third quarterly survey, was one of "moderate expansion."

The rise in internal demand continued to flatten. Demand was weakest in the investment sector: expenditure on construction declined from the first to second quarter, while investment in plant and machinery remained static. The Commission attributed the slower pace of expansion of private consumer expenditure "in large measure" to the slower pace at which disposable household income grew. Imports remained at about the same level as a year earlier, reflecting this trend of internal demand.

Demand from abroad continued strong. The value of the Community members' exports rose 9 per cent over their value a year earlier, and their surplus on visible trade with non-member countries amounted to the equivalent of \$264 million. As the quarter advanced, this surplus and the overall surplus on current account began to diminish. The information available indicated that the Community had sustained large net outflows of capital. Nevertheless, partly as the result of the United Kingdom's debt payments, the member countries' gross official gold and foreign exchange reserves increased by the equivalent of \$500 million from March through June.

Supplies from within the Community continued to rise, but slowly. The Community's seasonally adjusted index of industrial production showed no essential change. Agricultural production increased substantially.

Pressures eased on the labor market. In the Netherlands and the Federal Republic of Germany, the Commission said, signs of a leveling off of unemployment began to appear.

"Slight" Recovery by Year-end

The outlook for the rest of 1967 points to a "slight recovery" in the expansion of overall demand, the survey stated. Demand from abroad will hold steady at its current high level while internal demand expands "more distinctly," particularly in the investment sector. Production should respond to this trend.

Prices will remain quiet until the end of the year. However, increases in public utility and transport rates and petroleum prices and the disappearance of seasonal reductions may reactivate upward pressures, the Commission said.

In view of the outlook for the rest of 1967, the Commission also changed its estimate of real gross Community product expansion in 1968, from 4-5 per cent to 4.5 per cent. It expects a "distinctly more lively" economic trend next year, with the recovery of construction, stockbuilding, and private consumer expenditure.

The Commission pointed out that its forecasts assume that the member states follow appropriate economic policies. The July 11, 1967, recommendation of the European Communities Council of Ministers, the Commission recalled, was intended to encourage recovery while preventing new inflationary pressures from emerging late in 1968 or 1969. This policy included a correct mix of monetary and fiscal policy and an effort to put the national budgets on a sounder footing.

PRICE SUPPORTS CAN'T IMPROVE "FARMER'S LIFE"

Sicco L. Mansholt, a Vice President of the European Communities Commission and chief architect of the Common Market's farm policy, has ruled out price supports, by themselves, as an effective means of narrowing the gap between farmers and industrial workers.

Structural change—more large and medium-sized farms, fewer small farms—was the only practicable means of improving the rural way of life in a reasonable time, Mr. Mansholt told the Community's Economic and Social Committee on September 28. The Committee is a consultative body, created by the Common Market Treaty, whose membership represents a broad spectrum of economic and social groups.

Probably by next spring, Mr. Mansholt told the Committee, the Commission would seek the Committee's opinion on a draft program for structural change in farming. The Commission's concern, Mr. Mansholt explained at a press conference in Brussels on October 23, arises from the vast differences in the rural and urban "ways of living," not just from the farmers' relatively low "standard of living." In practical terms, a well-equipped farm could have 40 head of cattle for one farmer to tend all year long, by himself, without any vacations abroad, long weekends, or leisure time. This way of life is no longer tolerable in our modern society, Mr. Mansholt said.

A policy that deals with only market organizations and farm prices, Mr. Mansholt explained, cannot solve the long-term social, economic, and regional problems of improving the rural way of life. Higher prices could increase farmers' incomes, he said, but at the risk of creating surpluses in certain sectors. Furthermore, industrial incomes would continue to rise faster than rural incomes.

The Community had to examine trends in agricultural production and their economic and social implications, Mr. Mansholt said, but as long as no goals had been established, there was a danger that much of the money invested to improve the structure of farming would be wasted. What kind of farming does the Community want in twenty years? All aspects of the policies affecting farming would hinge on the answer to this question, the Vice President said.

With the help of experts from the Community member governments, the Commission is now studying the situation, primarily to see where agriculture should fit into regional policy. Between March and May of next year, Mr. Mansholt concluded, the Commission and the Council, on the basis of this study, would have to make political choices in the context of the medium-term economic policy.

Sicco L. Mansholt (right), the architect of the Community's agricultural policy, at his brother's farm in the Netherlands.



COUNCIL BACKS STRONG R & D PROGRAM

Diverse topics, from agriculture to scientific and technological research and development, were covered by the European Communities Council of Ministers at its five meetings in October.

The meetings—on October 2-3, 16-17, 23-24, 25-26, 30-31—were held in Luxembourg instead of Brussels, in accordance with the Treaty merging the institutions of the three Communities (Common Market, Coal and Steel, Atomic Energy).

At the October 30-31 meeting, the Council as the representatives of the member states passed a resolution expressing "their will to put into effect an energetic program for developing and promoting scientific and technical research and industrial innovation." The Council instructed the Scientific and Technical Research Policy Working Party of the Medium Term Economic Policy Committee to report back by March 1, 1968, on the possibilities for cooperative research, starting with the sectors of: data processing, telecommunications, new modes of transport, oceanography, metallurgy, meteorology, and air and water pollution. The Working Party was asked to give special thought to the means of either establishing a Community clearing house or coordinating the member governments' systems for processing and diffusing technical information.

During these discussions, the Council stressed that it considered it important to make constructive decisions soon on the future research activities of the European Atomic Energy Community (Euratom). It also approved the results of the Commission's recent negotiations with the United Kingdom Atomic Energy Authority and other partners in the Dragon Project. Euratom will thus continue to participate during 1968 in this high-temperature, experimental gas reactor project.

Debate on Membership Requests Started

On October 2-3, the Council agreed on the text of a reply to the Government of Malta's request for negotiations for special relations with the European Economic Community, and instructed the Committee of Permanent Representatives to look into the problems raised by Malta's request. The Council also took note of the opinion given by the European Communities Commission concerning the membership requests of the United Kingdom, Ireland, Denmark, and Norway.

At the next meeting on external relations, October 23-24, the Council had an initial exchange of views on these requests and on the letter from the Government of Sweden. Debate concerned:

- the question of whether the accession of new members would be likely to change the basic objectives, nature, and methods of the Community
- the general undertakings new members must assume
- the special problems which must be solved in connection with the British request—in agriculture, monetary and financial matters, and in its Commonwealth relations.

The Council planned to devote its November 20 meeting mainly to a continuation of these discussions.

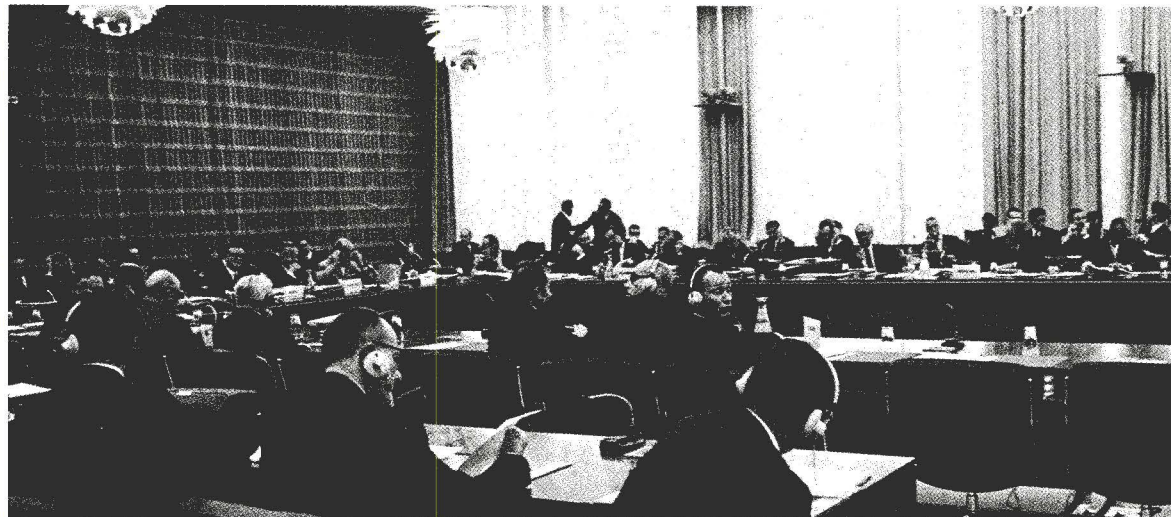
Further Mandates for Talks in Progress

To continue negotiations with Morocco and Tunisia and with the East African States (Kenya, Uganda, Tanzania), the Commission needs new mandates. The Council has now agreed on the terms of a further mandate for negotiations with Morocco and Tunisia and dealing primarily with questions relating to olive oil, citrus fruits, and petroleum products.

Some important East African exports are also important for the 18 African states associated with the Community under the Yaoundé Convention. For this reason, the Council asked the Committee of Permanent Representatives to study the Commission's report on the preferences granted by the Community under this Convention. On the basis of its conclusions, the Committee was then to draft a new mandate for negotiations with East Africa, the Council instructed.

Other external relations decisions of October 16-17 included:

- the adoption of a decision extending the Trade Agreement between the European Economic Community and Iran for one year past its expiration date, November 30, 1967, and amending the agreement in accordance with suggestions made by the EEC/Iran Joint Committee
- the approval of a decision concluding two renegotiation agreements under Article 28 (1) and (4) of the General Agreement on Tariffs and Trade to compensate for Aus-



During October, the Council met in Luxembourg, in the recently completed Centre Européen du Kirchberg.

tralia's withdrawal of concessions on products of interest to the Community.

Energy: Domestic Coal Problems

The Council devoted part of its October 2-3 meeting to the problems of the domestic coal industry.

The Federal Republic of Germany had consulted the Council on measures the German Government had taken to reorganize its coal industry and to compensate miners who lose their jobs because of mine closures. Both the Council and the Commission considered Germany's efforts to improve the competitive position of its coal industry consonant with the Community's energy policy and its medium- and long-term goals.

The Council noted its agreement on the Commission's proposals for domestic coal formulated under the mandate given to the High Authority of the European Coal and Steel Community by the ECSC Council of Ministers on June 29, 1967. For prices, the Commission proposed to maintain prices at their current level as far as possible. To align supply with demand, the Commission proposed a reduction of capacity and regulation of its rate of use in this respect. The Commission stressed the importance of the agreement concluded by the ECSC Council of Ministers on November 22, 1966. This agreement provided for the governments of the producer countries to make periodic comparisons of production and consumption forecasts.

The Council also gave its unanimous confirmatory opinion on a draft decision of the High Authority extending the term of validity of Decision No. 3-65 of February 17, 1965, on Community arrangements for intervention by the member states in favor of coal.

Agriculture: Prices, Aids, Sugar

The Council adopted two regulations to speed up payments from the Guarantee, or price support section of the European Agricultural Guidance and Guarantee Fund, the executor of the financial provisions of the common agricultural policy. One regulation institutes a system of advance payments from 1968 on, while the other contains the technical and procedural provisions for its budgetary application.

Regulations on prices for pork and olive oil production were adopted. The Council also noted its agreement on common prices for rice, cereals, beef and veal, sugar and sugar beets.

In addition, the Council reached agreement on the regulations for sugar until the end of the transitional stage, June 30, 1975. These regulations now go to the Economic and Social Committee and to the Parliament for their opinions, as required by Article 43 (2) of the Common Market Treaty. For the single-price stage of sugar, which begins on July 1, 1975, the Council has agreed on the general provisions, and specifically that the system may not permit any discrimination between producers in the Community.

The Council also adopted:

- a directive specifying the procedures for achieving freedom of establishment and freedom to provide services in non-wage earning activities in forestry
- a directive adding erythrosine and brilliant green acid (BS) to the list of approved coloring agents in foodstuffs for human consumption.
- a decision specifying the due dates for calls for contributions from the member states to the European Development Fund for the 1968 financial year.

BRITISH FINANCES DISCUSSED BY WEU

Britain's balance-of-payments difficulties would not present an insurmountable obstacle to her membership in the European Community, according to Lord Chalfont, British Minister in charge of European Affairs.

Given a transitional period, Britain would probably be enjoying the economic benefits of membership by the time the full burden of entry made itself felt, he told the Western European Union in London on October 13. "A domestic growth rate of 3 per cent a year from 1967 to 1979," Lord Chalfont said, "should be fully compatible with the achievement of a balance-of-payments surplus sufficient to repay Britain's outstanding debts." Furthermore, he said, the Government was limiting its overseas spending and taking other measures to improve the capital account.

The Italian and Benelux delegates to the WEU meeting all emphasized their wish to see negotiations begin on Britain's membership application. Rolf Lahr, State Secretary for Foreign Affairs of the Federal Republic of Germany, denied allegations that his country was not anxious to open talks. French Secretary of State for Foreign Affairs A. Bettencourt said that the Six must first discuss among themselves, "in a European spirit," the advantages and disadvantages of enlarging the Community.

EIB TO LEND \$8 MILLION FOR SOUTHERN ITALIAN INDUSTRY

The European Investment Bank has granted an \$8 million loan to the *Cassa per il Mezzogiorno* for industrial projects in Southern Italy.

The loan will help finance:

- the construction of an airconditioner plant in Ariccia
- the overhaul of Alitalia aircraft engines and the expansion of diesel engine, light truck, and van production at the Alfa Romeo plant near Naples
- the construction of a baby food plant at Latina
- the construction of an integrated tannery and footwear factory at Ascoli Piceno
- the enlargement of the Landis and Gyr thermostat plant at Salerno (In 1963, the bank financed the construction of the factory).

The loans bear interest at 6.5 per cent per year and are guaranteed by the Italian Government.

COMMUNITY TO GRANT TARIFF PREFERENCES FOR MORE TURKISH PRODUCTS

The European Community may soon grant tariff preferences for a wider range of Turkish products, it was indicated after the meeting of the European Economic Community-Turkish Association Council in Ankara on October 9.

The agreement between the Community and Turkey provides that such an extension to other products can take place December 1, 1967, three years after the Agreement's entry into force. The Association Council noted that agreement in principle had already been reached on some of these products. The Association Council instructed the Association Committee to prepare a report for it by December 1, 1967, on the products needing further discussion.

CHANGE OF REGIME AFFECTS ASSOCIATION WITH GREECE

The European Communities Commission, answering a written question from a member of the European Parliament, said that the change of political regime in Greece, in April, has prevented the Community-Greece Association Council from resuming work on the harmonization of agricultural policies.

In addition, the Commission said, negotiations have been discontinued on a financial protocol to replace the one that expired on October 31, 1967. Out of the \$125 million made available to finance development in Greece, an unappropriated balance of \$70 million remained.

The provisions of the association agreement and the Association Council's decisions are being applied, especially in trade and tariff matters, the Commission said. Greece effected the latest tariff reduction on May 1.

A RESERVES POOL COULD "EUROPEANIZE" POUND STERLING

A European reserves pool, sustained by payments in gold and in national currencies of participating countries, could help to equalize exchanges and "Europeanize" the pound sterling, according to Pierre Mendès-France, former Prime Minister of France.

Britain would be a charter member of the pool, he said in Paris, October 6. "When the pool had accumulated a certain amount of a given national currency, the debtor country would pay off its debts during a certain number of years and at a reasonable rate of interest." Mr. Mendès-France pointed out that this had been one of the methods successfully used by the European Payments Union, an institution formed after World War II to supervise and expedite the return to free capital movements.

Mr. Mendès-France continued: "This convenience offer to Britain would be the return for the concessions and disciplines which we are asking her to accept in the application of the Rome Treaty and of the subsequent Com-

The Association Council also approved a recommendation allowing work to begin "immediately," instead of next year, on the transitional period, the second stage of Turkey's association with the Community. On December 1, 1967, Turkey completes its third year of a five-year minimum preparatory stage to enable its economy to begin the transition towards full customs union with the Community. At the last meeting of the Association Council, Turkey indicated its readiness to begin the second stage on December 1, 1969, without any extension of the preparatory period, but asked, in view of the complexity of the problems this would involve, that discussions begin before December 1, 1968, the date mentioned in the Treaty.

community arrangements to which she must subscribe." He emphasized that the Europeanization of sterling would enable the Community members to benefit from the highly developed and well-equipped financial techniques of the London Stock Exchange and develop their commercial operations in several parts of the world more extensively than they have been able to develop them thus far.

PARLIAMENT RECOMMENDS IDENTIFICATION CARD

A European identification card valid anywhere in the European Community could facilitate the establishment of a single, Community-wide employment market, according to the European Parliament, the Community's legislative assembly. The card would replace the work permits with which each member country now authorizes non-nationals to hold jobs in its territory.

The Parliament made this recommendation in Strasbourg on October 18, in a resolution based on a report by René Pêtre (Christian Democrat-Belgium). The report supported the proposals of the European Communities Commission to complete the legal guarantees of labor mobility by July 1, 1968. However, the report recognized that regulations alone could not erase every administrative and psychological obstacle to freedom of movement. A shortage of housing, for example, could deter workers from moving, particularly those with families.

PARLIAMENT INSISTS ON BEING CONSULTED

The European Parliament insists on being consulted by the Community's executive institutions on all proposals involving a political choice for the Community.

As a reminder, the European Parliament passed a resolution to this effect at its October 16-18 session in Strasbourg. The resolution points out that failure to consult the Parliament, as prescribed in the Community treaties, invalidates such proposals, and that the proposals may, therefore, be declared null and void by the Court of Justice, Luxembourg, the "Supreme Court" of the Communities.

MEASUREMENT OF "TECHNOLOGY GAP" BEGINS OECD REPORTS R & D INPUTS

The "technological gap" came into sharper focus in October with the publication of new, more statistically accurate data on the resources devoted to scientific and technological research and development (R & D) by the Western European nations, the United States, and Japan.

The United States spends six times more on research and development than do the six members of the European Community, according to data in a report published by the Organization for Economic Cooperation and Development, Paris. This is the first in a series of four reports which the OECD plans to make to improve knowledge of the level and structure of R & D. Statistics relate primarily to 1963-64, and are based on homogeneous definitions of input. The study makes no attempt to measure output, it notes.

According to this report, for every scientist, technician, or engineer in the European Community, 13 are doing research-related work in the United States. Both the United States and the United Kingdom devote more of their resources, proportionately and absolutely, to R & D activities.

"Although Western Europe's economic structure and population approach those of the United States, it is still far from being a unified, economic or political entity," the report states. "A certain amount of overlapping of R & D activity is inevitable under the current circumstances given the multiplicity of decision-making centers and the fragmentation of R & D programs in all sectors of the economy in Europe, compared with the relative homogeneity of the United States situation." The United States gross national expenditure on R & D amounted to \$21,075 million in 1963-64. Britain, ranked second with \$2,160 million (1964-65), followed by Germany (\$1,436 million), and France (\$1,299 million). Japan is fifth with \$829 million and Canada next with \$425 million. The Netherlands' expenditure is \$330 million, Italy's \$291 million and Belgium's \$137 million.

Comparing R & D effort as a percentage of gross national product, the survey revealed that the United States spent 3.4 per cent, Britain 2.3 per cent, and the Netherlands 1.9 per cent. France, Germany, Japan, and Sweden spent about 1.5 per cent; Canada and Belgium about 1 per cent; Norway 0.7 per cent, and Italy 0.6 per cent. Ireland, Spain, Portugal, Turkey, Greece, and Austria spent 0.5 per cent or less of their gross national product on R & D.

For per capita R & D expenditure, after the United States (\$110.50), came Britain (\$39.80). The corresponding figures for Community members were: France \$27.10, Germany \$24.60, Italy \$5.70, Belgium \$14.70, and the Netherlands \$27.20.

Scientists/Population Ratios

On manpower devoted to R & D, the survey calculated that the United States employed nearly 700,000 full-time scientists, engineers, and technicians. Next among the large industrial countries came Japan, with 187,000

R & D workers. Britain employed close to 160,000, while Germany and France each employed about 100,000. The figures fell sharply for other countries surveyed.

The United States also employed the highest proportion of population in R & D: 35.8 scientists, engineers or technicians for every 10,000 people. For Britain, the proportion was 29.4. In France, Germany, and other large industrial countries, except Italy, 18 to 20 persons for every 10,000 inhabitants worked in R & D. The Netherlands reported a higher proportion (25.8) while lower figures were shown for Belgium (16.8) and Italy (6).

Government and Business—Chief Financiers

The survey showed government and business to be much more important sources of R & D financing than the other two sources considered: higher education, and private non-profit institutions. Government provided between one-half and two-thirds of R & D financing in France, the United States, Britain, Canada, and Norway. Government provided one-third or less in Italy, Japan, and Belgium. In Germany, Sweden, Austria, and the Netherlands, it supplied between one-third and one-half.

In the United States and other large industrial countries, R & D efforts are concentrated in the business sector, where about two-thirds of gross national expenditure on R & D is spent. France is an exception, with only 50 per cent spent in the business sector. In the smaller industrial countries the importance of the business sector as a performer varies from about two-fifths in Canada to two-thirds of the national effort in Belgium and Sweden.

The survey also showed, in percentage terms, the amount OECD countries devote to three main R & D objectives. Defense, atomic, and space programs take up a large share of expenditures in several countries. Economic programs, mainly for commerce, industry, and agriculture, receive the largest share in other countries surveyed. Health and welfare activities receive a varying percentage of R & D resources in most countries. This includes research carried out particularly in universities and institutes without specific national objectives in view.

In the United States a comparatively small proportion (18 per cent) of government R & D funds is spent in the government sector; but significant amounts go to the Federal Contract Centers, important borderline institutions classified in the business, private non-profit, and higher education sectors. Conversely, in France, where total government R & D funds are about the same proportion of R & D expenditure and similar R & D objectives are being pursued, government institutions spend 36 per cent of government R & D funds, an unusually high share. In Britain, whose R & D objectives are similar to those of France and the United States, government research establishments' share of the funds is 23 per cent.

A much smaller proportion of government



R & D programs are performed in the government sector in Germany (3.5 per cent) and the Netherlands (2.7 per cent) than in the United States. However, in both countries significant amounts are transferred to such borderline institutions as the Nuclear Research Centers in Jülich and Karlsruhe (Germany), and the TNO Institutes (Netherlands). Percentages for Italy and Belgium are 22 per cent and 8.4 per cent respectively.

The proportion of government funds going to the business sector depends largely on the R & D objectives of government. The transfer is largest where governments have high commitments in defense and in space—United States (34 per cent), France (16.3 per cent), and Britain (27.1 per cent). In Japan, the Netherlands, and Belgium there is little movement of funds: 0.6 per cent and 2.9 per cent.

Who Spends the Money?

Gross national expenditure on research and development by sector of performance (in percentages)

	Business	Government	Private non-profit	Higher education
United States	67	18	3	12
France	51	30	—	11
Britain	67	25	1	7
Germany	66	3	11	20
Italy	63	23	—	14
Belgium	69	10	1	20
Netherlands	56	43	2	14

Who Provides the Money?

Gross national expenditure on research and development by source of funds (in percentages)

	Business	Government	Private non-profit	H. ed	Abroad
United States	32	64	2		2
Britain	42	54	1		3
France	33	64	—		3
Germany	57	41	1		1
Italy	62	33	4		1
Belgium	71	24	1		4
Netherlands	54	40	3		3

Where Does the Money Go?

Allocation of research and development resources (in percentages)

	Atomic space & defense	Economic	Welfare & misc.
United States	62	28	10
Britain	40	51	9
France	45	41	14
Germany	17	62	21
Italy	21	63	16
Belgium	4	82	14
Netherlands	5	70	25

STEEL PRODUCER FINED

One steel producer has been fined, four have received written warnings, and 38 are awaiting the results of investigations held by the European Community between July 1966 and June 1967. The European Communities Commission gave these figures in answering a written question from a member of the European Parliament.

To assure fair competition, Article 47 of the Paris Treaty instituting the European Coal and Steel Community authorizes the Community's Executive branch to make price "verifications." The maximum permissible fine for failure to supply data requested is 1 per cent of yearly turnover.

COMMISSION WILL PROPOSE DIRECTIVE ON AIR POLLUTION BY MOTOR VEHICLES

The European Community is working on a draft directive on control of air pollution from vehicle exhausts.

Under a recommendation of September 1965, the member states advised the Commission of their plans for legislation and regulations governing motor vehicles. The draft regulation, the Commission said in answering a parliamentary question in May, would be based on current measures and studies in the Community countries as well as on work now under way in the United Nations Economic Commission for Europe.

economic development, technological advance and social progress.

INTRODUCTION TO THE TENTH GENERAL REPORT ON THE ACTIVITIES OF THE COMMUNITY. *Supplement to Bulletin of the EEC* No. 7, 1967, ECC Commission, Brussels, July 1967, 45 pages \$3.00

A summary of the major considerations which the EEC Commission felt should guide the Community institutions in the coming years.

THE TROPICAL OILS AND OILSEEDS MARKET IN THE MEMBER STATES OF THE EEC: RECENT EVOLUTION AND ACTUAL SITUATION. *Overseas Development Series*, Monograph No. 4, EEC Commission, Brussels, 1966, 199 pages \$12.00

The French text was announced in the September issue of EUROPEAN COMMUNITY. Texts are now available in English and German.

ADDRESS BY JEAN REY, PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES, TO THE EUROPEAN PARLIAMENT, Strasbourg, September 20, 1967, Commission of the European Communities, 19 pages (Mimeographed) free

THE INDUSTRIAL DEVELOPMENT OF THE YAOUNDE COUNTRIES. *Information Memo* P-48, Commission of the European Communities, Brussels, September 1967, 5 pages (mimeographed) free
Summary of a survey on industrialization prospects in the African states associated with the Community.

THIRTEENTH JOINT MEETING OF THE MEMBERS OF THE CONSULTATIVE ASSEMBLY OF THE COUNCIL OF EUROPE AND THE MEMBERS OF THE EUROPEAN PARLIAMENT. The European Parliament and the Council of Europe, Strasbourg, 1967, 201 pages \$15.00

PUBLICATIONS AVAILABLE

AVIS DE LA COMMISSION AU CONSEIL CONCERNANT LES DEMANDES D'ADHESION DU ROYAUME-UNI, DE L'IRLANDE, DU DANEMARK ET DE LA NORVEGE EN VERTU DES ARTICLES 237 DU TRAITE CEE, 205 DU TRAITE CEEA ET 98 DU TRAITE CECA. Commission of the European Communities, Brussels, September 29, 1967, 108 pages (mimeographed) free
Report concerning the enlargement of the Community. Sale of printed copies in English will be announced.

SOCIETE ANONYME EUROPEENNE: PROJET D'UN STATUT D'UNE SOCIETE ANONYME EUROPEENNE. By Professor Pieter Sanders. EEC Commission, Brussels, December 1966, 206 pages \$1.00
The draft statute for a European corporation as prepared by Professor Sanders and a committee of experts from Community member states.

THE COMMON AGRICULTURAL POLICY. *Community Topics*, No. 28, European Community Information Service, Brussels, revised edition, July 1967, 31 pages free
Describes the Community's agricultural policy, including product-by-product information.

THE EUROPEAN PARLIAMENT. European Community Information Service and the European Parliament, Brussels, revised edition, November 1966, 16 pages free

DOCUMENTS DU COLLOQUE SUR LA FORMATION PROFESSIONNELLE. EEC Commission, Brussels, 1966, 436 pages \$2.40
Proceedings of the November 16-20, 1964, symposium on vocational training. The themes of the conference were training of teachers and instructors in the Community and the adaptation of vocational training to



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