



europaean community

COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM



CONTENTS

- 3** Students Point the Way
- 7** Who Discovered America?
- 9** The Economic and Social Committee's Influence *Guy Van Haeverbeke*
- 12** Eastern Europe and the Community *George Schöpflin*
- 15** New Euratom Research Program Proposed
- 17** French Recovery Satisfies Commission
- 18** Tourism Is A Major Export Industry, OECD Reports
- 19** EC Trade Increases with African Associates

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COVER: Student Protests

Top: International Vietnam Congress, February 17-18, 1968, Technical University of Berlin. SDS leader Rudi Dutschke is seated at the table, second from left. PHOTO: © LANDESBILDSTELLE, Berlin. Courtesy of the German Information Center, New York

Center: Student meeting at the University of Strasbourg, France

Bottom: Easter protest in Munich against the Springer publications (see page 6). PHOTO: Courtesy of the German Information Center, New York.

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Students Point the Way

STUDENTS ALL OVER EUROPE are demanding changes, some of them radical, in their educational systems and in the societies in which they live. As universities open this month, European parents, professors and administrators, government officials, and many students as well, are hoping the fall term does not bring a repetition of last spring's demonstrations. Several Community countries initiated reforms in early summer but most of them are long-range programs that will take time to bring change.

In addition to purely local grievances, disturbances at every university in every country involved complaints of excessive centralization of the university establishment, dogmatic teaching methods, outmoded and useless courses, and failure to prepare students adequately for life after graduation. So widespread were these criticisms, that the President of the European Communities Commission, Jean Rey, considers university unrest a problem of European dimension. Last spring he urged that no time be wasted "wondering whether professional agitators or fanatical revolutionaries" were responsible for the disturbances. Instead, he asked the older generation to take a close look at the society they had created, to see whether it was attractive or could be made attractive to young people.

Teach-ins, sit-ins, silent marches, and other techniques were used at all protests last spring. During the summer, student organizations in different countries have reinforced contacts between their leaders. At the level of governments, in the "European" arena, no collective international attempt has been made to alleviate the complaints of young people.

Last spring, questionnaires were sent to five observers of the student scene: Danièle Heymann, a reporter for the French magazine *L'Express*; Alberto Ronchey, editorial writer for the Italian newspaper *La Stampa*; Francis Monheim, former president of the Belgian Student's Federation; Alfred Frisch, a reporter for the German newspaper *Frankfurter Allgemeine Zeitung*; and E. Bente, a Dutch free lance journalist. The following article has been adapted from their replies.

France: Scene of the Most Violent Protests

The month-long demonstrations in France last May paralyzed the nation when workers left their factories to join the students in the street. These were by no means the first protests, however, merely the first to make headlines in American newspapers.

As early as November 1967, students at Nanterre and the Sorbonne had forced professors to replace their usual courses with discussions of student problems, and small groups of anarchists had been demonstrating since Christmas in Nantes and Nanterre. Students declared February 14 a Protest Day and

marched on the girls' dormitory at the University Residences on the outskirts of Paris. Also in February, the French National Students Union (UNEF) organized a demonstration of five thousand people in Paris against the war in Vietnam. The following month it sponsored a three-day demonstration.

Protests were directed against the effect of a consumer culture on studies which was labeled "technocratic teaching." Universities in a consumption-oriented society turn out technocrats, producers, and consumers, and fail to impart a genuine education, the students maintained. "Education leads to nothing"; it does not prepare them for jobs. University administrators are "reactionary."

Regimentation in living conditions as well as in studies also caused discontent. Students demanded freedom of expression assembly, and association. They contested a regulation announced in February which authorized boys over 21 to entertain girls in their rooms until 11 p.m. but which did not grant reciprocity to the girls. "Girls can spend the night with boys but not the other way around. Hypocrisy," they said.

Last year there were 558,000 students enrolled in French universities, 156,000 in Paris. This year, enrollment is expected to reach 621,000, 165,000 in Paris. On the basis of this projection, UNEF predicted last spring that the protest phenomenon would continue to build and the beginning of the 1968/69 school year would be even more difficult than the last in view of the chronic shortage of professors and student housing.

Students' desire to protest may be tempered by two events. UNEF leader Daniel Cohn-Bendit, the leader of the May demonstrations, plans to enroll this year at the Free University of Berlin. More significantly, however, on July 24 the new Minister of Education Edgar Faure unveiled an extensive program of educational reform in an address to the National Assembly. The program, with one or two exceptions, was approved by the French Council of State, on September 19 and, on October 9, by the National Assembly. In a radical departure from the past, the Minister of Education told the National Assembly that the Napoleonic concept of an authoritarian, centralized university is outmoded. Each university will be given control over the content of its courses, the subjects of examinations, and general administration. Students will be given up to half of the votes on administrative committees.

Special attention will be given to the culturally-underprivileged, so that democratization and renewal will take place simultaneously, at all academic levels, from primary school through the university. Material aid to families will be intensified, particularly to enable families to let their children finish secondary schools. The introduction of sciences into primary and secondary school curricula should help to reduce some of

the disparities, due to family background, in examination performances of children from the upper and lower classes, Mr. Faure said.

Italy: A Generation of Discontent

The crisis in Italian universities is a question of numbers. At the University of Rome, for instance, there are 60,000 students and only 300 regular professors. Enrollment is growing at the rate of 20 per cent a year, while the number of advanced graduate degrees awarded each year is increasing only 0.9 per cent. The extension of adolescence by years of higher studies is becoming a mass phenomenon, breaking continuity in the transmission of values from one generation to another.

No solution has been found for the financial, administrative, and structural problems of the university: there has been no revision in teaching methods or replacement of *ex-cathedra* lecture courses by seminars, no genuine dialogue instituted between students and professors. The only reform suggested, "Law 2314," has not been approved by the legislature. The result of its enactment would be the creation of two new degrees, one above and one below the current university diploma.

In demonstrations at the Universities of Milan, Florence, Rome, and at almost every other major Italian university, students have condemned political parties and inadequate reforms. They have been induced to take part in violent protest demonstrations organized by extremist groups of the left. University life is the main cause of protest, though Vietnam has acted as detonator in some demonstrations.

Students find fault above all with the type of teaching current in Italian universities. They accuse it of producing nothing but "alienated" technicians, who are incapable of forming value judgments on the material fed them by authoritarian academics, and victims predestined to serve the economic system.

The most popular slogan among the students is that academic despotism imposes self-repression and facile obedience, no matter what subject is taught: nuclear technology, philosophy, literature, or new math. They consider such despotism escapist and mystifying in relation to the roles of the individual and of culture in a capitalist society. Part of the protest movement maintains that by developing superior science and technical teaching facilities, students will form the new leader class in social conflicts of the industrial and post-industrial era. Thus, the modern equivalent of the workers' revolt in the nineteenth century will be the demand for "student power" in the Berkeley style.

Small groups of the most ideologically-oriented students criticize and reject consumer culture. Their "global confrontation of the system," originates in the polemics of Horkheimer, Adorno, Marcuse, and economists such as P. M. Sweezy. At the same time, some influential intellectuals of the left are promoting romantic Cuban and Chinese theses of political literature, whose heroes include Guevara and Castro and whose favorite texts are the sixteen points of Mao's cultural revolution.

The crisis of the Italian university will be a long one. It will become more serious not only in the next few months but also for many years to come, as the university population keeps on growing quickly and steadily.

Belgium: Beginning or End?

The Belgian student demonstrations last spring had complex social, cultural, and linguistic causes directly related to the fu-

ture of the university establishment. Some students condemned the consumer society, but their ideas are not yet very widespread in the student world. Most Belgian students belong to the upper middle classes; no effective democratization of university studies has yet taken place. Only 4 per cent of the students are of peasant or working class origin, although workers comprise more than 40 per cent of Belgium's active population. Most student leaders criticize university life and methods, but the mass of students, particularly the French-speaking students, remain unorganized. Both the svb the Flemish-speaking students union, and the MUBEF, the French-speaking students union, have taken firm stands in favor of the so-called "critical University" and student participation in administrative decisions. They are now seeking the means of putting these ideas across to the university mass and the militants in the political parties.

All of these factors were brought into play in protests at the Catholic University of Louvain, a private school established in 1426 that now receives a State subsidy. Since the University is located in the Flemish-speaking north, it has two linguistic sections, a Flemish section of 11,500 students and a French section of 10,500 students. According to the organic statutes of the University, dated June 11, 1834, the school is run by a rector, appointed by and responsible to the episcopal see. The bishops also appoint the professors who are nominated by the rector.

For the past several years, the Flemish political parties have insisted on moving the French section of the University into Wallonie, the French-speaking southern province, so that "the

The student cafeteria at the Free University of Brussels. This University, unlike many European schools, has modern classrooms, laboratories, and dormitories. Demonstrators last spring protested against their lack of participation in the administration of the school, rather than against the inadequacy of the school's facilities.





Students demonstrated last spring in front of Berlin's City Hall to protest the attempt made on the life of Rudi Dutschke, the SDS leader. PHOTO: © Landesbildstelle, Berlin. Courtesy of the German Information Center, New York.

cultural homogeneity of the Flemish region can be preserved." The svb took up this cause at the University, but emphasized the sociological ramifications of separation, rather than its cultural aspects. The svb leaders wanted the State to define a general policy for university expansion and democratization of studies and considered separation a prerequisite for the expansion of the University of Louvain. They pointed out that the town of Louvain, with a non-student population of 30,000 could not accommodate 80,000 students, the projected enrollment for 1980. Moreover, they argued, the French section of Louvain attracted students chiefly from the bourgeoisie and the leader class, and could become democratic only if this section were moved to another town, to the sociological and cultural milieu that it was supposed to serve, Wallonie.

The demonstrations organized by the Flemish student leaders in Louvain were directed against the bishops of Belgium, the administrators of the University who have favored maintenance of the French section in Louvain. They also aimed at the overthrow of Belgium's coalition Government (see *European Community* No. 115, pages 7, 8), which they accused of failing to provide a plan for university expansion.

Although the partisans of the svb were a minority at Louvain, they managed to enlist the great majority of Flemish students and professors. The arrest of their leader, Paul Goosens, also contributed to the popularity of the progressive union. Finally, the Flemish members of parliament and Ministers broke away from the Government which was thus forced to resign last spring.

When the school year ended, the students were pledged to organize new demonstrations and were in touch with similar student movements abroad. The themes of the demonstrations were to be peace in Vietnam, the dissolution of the Atlantic Alliance, the democratization of higher studies, the cultivation of the critical university, and the struggle against the consumer society and private capitalism. However, the start of Vietnam peace talks, the invasion of Czechoslovakia, and the announcement of reforms by the new Belgian Government and the Uni-

versity of Louvain have diluted some of the intended subjects of protest.

In July, it was decided that the French and the Flemish sections of Louvain would be separated, but kept under one administration. The move will not be immediate, buildings will have to be constructed to house the French section in Wallonie.

Demonstrations of a more radical nature took place at the Free University of Brussels during the spring. There, the students demanded reorganization of the University to increase their participation in decisions that affected them. To investigate student grievances, during the summer, a national commission was appointed composed of students, faculty members, and representatives of the Government. A new rector and a new board of directors have now been appointed and will draw up a new constitution for the University.

Germany: Everything Again Questioned

In Germany, almost all of the student demonstrations have been organized by the German Socialist Students' movement known by the initials sds, a group excluded from the Socialist party because of their extremist tendencies. The most violent demonstrations last spring occurred in Berlin, but extreme left elements are gradually appearing in other universities—Frankfurt, Bonn, and Hamburg, in particular. Though representative of a numerically small minority of German students, the demonstrators can, for a variety of reasons, count on the sympathies and sometimes the participation of a larger number of politically-independent students. Most students, however, have taken a wait-and-see attitude.

Germany's aspirations to becoming a society of material well-being, that puts comfort and consumption above everything else undoubtedly create a state of dissatisfaction in young people, though it would be far-fetched to call it anxiety. Many students protest against it in one way or another and express their desire to orient German society in a different direction. They seek a vocation and want to be able to sacrifice themselves for a cause.

Student discontent, which extends far beyond the minor-

ity on the far left, is directed against teaching methods at the universities, rather than living conditions. Of course, almost every university asks for larger buildings and laboratories, but rarely by means of demonstrations. Protests are directed primarily against the excessively rigid structure of German universities and against the often great power of the professors. Everything is again being questioned: the length of studies, the program of examinations, relations between professors and assistants, and university administration in which students want a say.

Discontent with the university system is now the most important reason for student protests. However, opposition to an excessively materialistic society will predictably grow. As a result, the will to preserve a minimum of idealism will constitute a more lasting phenomenon. These protests mark the initial stage of a movement which will grow deeper but which could well lose its violent aspect. Both the public and the students were disgusted by unnecessary vandalism last spring. Since the

A "water cannon" douses demonstrators in Munich during an Easter holiday protest against the Springer newspaper group. Some of the Springer publications, among them Die Welt, had criticized students for expressing dissatisfaction with university conditions. PHOTO: IN-BILD. Courtesy of the German Information Center, New York.



minority of the extreme left does not seem capable of presenting a convincing program, its influence is unlikely to grow. But a difficult dialogue must be expected between the mass of students, the professors, and the State, the representative society.

The need for sweeping reforms is becoming more and more fully understood in Germany. Promising discussions have been started between professors and students at several universities. But reform will be a long and arduous process that pits progressive professors and students against conservative professors, appointed for life.

The Netherlands: Things Look Quiet

Dutch students, unlike their German counterparts, are not demonstrating against university life or teaching methods. In Holland, there is scarcely a reason to protest against the despotism of professors. Naturally, not everything is perfect, but criticism is expressed in small groups, such as the active Dutch students union (svb). Various associations examine all kinds of problems and loudly announce any abuses they happen to find. They conduct surveys, on religion at the university, for example, and express their opinions of professors, some of whom they undoubtedly think have too much influence.

So far this year, their criticism has not been very severe, though there were two newsworthy protests, both in the Hague. In one, students marched on the *Binnenhof*, where the parliament meets, protesting the way in which Dutch Minister of Education G. H. Veringa had distributed university scholarships. In a matter of days, the Minister revised his decisions.

The other demonstration, against the war in Vietnam, was not limited to student participation. It turned into a denunciation of injustice and class privilege, relegating the Vietnam problem to the background after the arrest of several demonstrators for carrying signs bearing the words "Johnson Murderer." Article 117 of the Dutch penal code prescribes punishment for affronts to a friendly country's chief of state. During an important demonstration in Amsterdam shortly after the arrest of the picketers, Professor B. Delfgaauw of Groningen University said that President Johnson could be considered a war criminal within the definition given by the Courts of Nuremberg and Tokyo. The Professor was not taken to court, even though he repeated his declaration several times and demanded to be brought to justice.

Carl H. F. Polak, minister of Justice, was attacked in the Senate for his policy. Most of the senators wanted charges dropped against the students and Article 117 repealed. In April, Mr. Polak appointed a special study group of professors and a few members of the Ministry of Justice to investigate the complaint. No formal motion to appeal Article 117 has been introduced in the Senate, and the situation seems to have quieted down, pending publication of the results of the study.

Dutch student protests are not directly related any more to the rejection of the consumer civilization. That phase of the protest movement occurred in summer 1966, when Provos (young intellectuals supported by numerous students) demonstrated against everything related to the consumer society—from automobile traffic in the old quarters to air pollution—but above all, against Authority. This period of intense agitation ended when the Provos themselves decided to disband their association.

Who Discovered America?

REVISING EUROPE'S HISTORY TEXTBOOKS

ITALIAN CHILDREN are taught that their country can take credit for discovering America because Columbus was born in Italy, while Spanish children learn that their country deserves credit because Spain financed the voyage. England's victories in the Hundred Years War used to be given such prominence in British history books that British pupils were given the impression their country had won the war. French books did the same for victories, perhaps with more justification.

These examples of the way history is now taught are taken from a recent Council of Europe publication, an account of teachers' efforts, especially since 1945, to "denationalize" history teaching in Europe, and so help to develop mutual understanding between nations. Textbooks can also be sources of cultural and racial, as well as national prejudice. Accounts of ancient societies and religions may often, however unintentionally, engender prejudice, misunderstanding, or ignorance of other people's good qualities and achievements.

European Idea Neglected

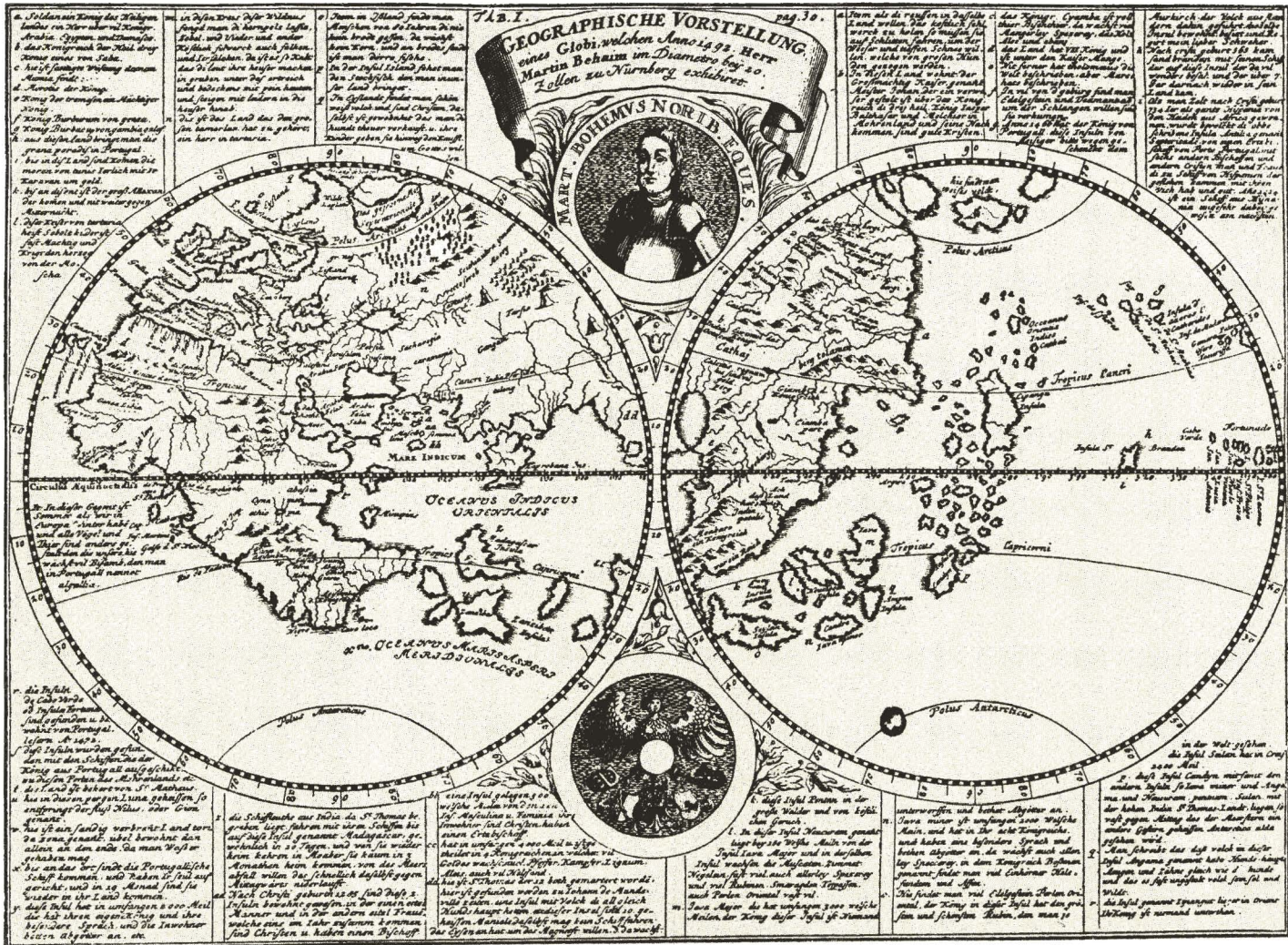
Teachers criticize textbooks not only for their biased contents, but also for their omissions. Many of them think that one of the most neglected aspects of European history texts is the beginning of the "European idea," and especially the series of projects

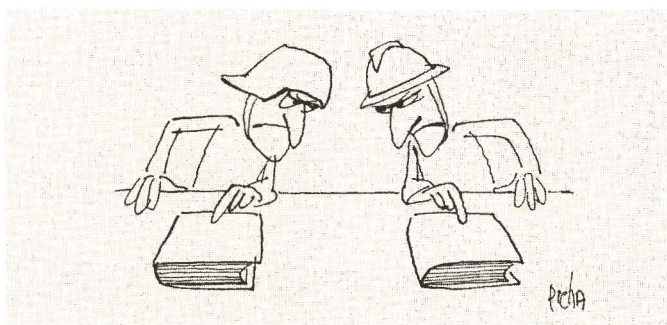
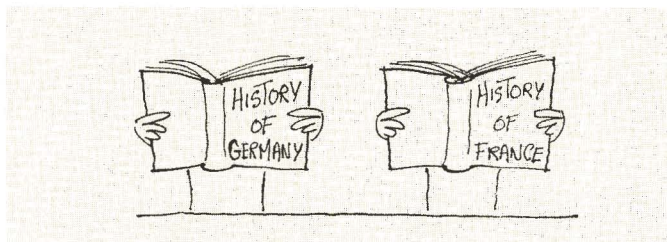
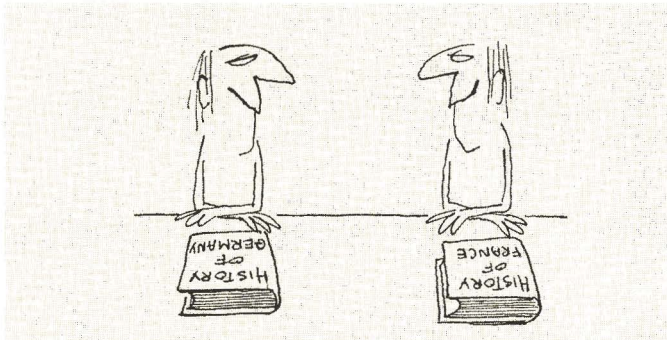
devised by thinkers since the religious wars of the 16th and 17th centuries to secure peace by forming a European community.

Occasionally, a text mentions Grotius and his *De Iure Belli ac Pacis*, but before him there was Sully's *Grand Dessein*. Later, in the 17th century, came Leibnitz, with his *Codex Iuris Gentium Diplomaticus*, and William Penn, with his *Essay Towards the Present and Future Peace of Europe, by the Establishment of a European Diet*. In the 18th century, Abbé de St. Pierre, Battel, Bentham, and Kant published similar proposals. In the 19th century, societies and congresses to further European unity were formed and there was even a French-language journal called *The United States of Europe*. Most schoolbooks ignore these works, and children leave school with a fair knowledge of the causes, course, and consequences of European wars but not of what has been called "the history of peace."

Re-education in Germany

Some attempts to "decontaminate" textbooks in Germany were made as early as 1890. A more systematic approach took place between 1919 and 1939, but with limited results. A severe setback occurred in the Thirties, as Nazi Germany used the educational system to create prejudice. In the "re-education" plan of the Allies after the war, textbook revision was an essential fea-





ture. For a while, all history books and history teaching were banned in the reopened schools.

Today, the Council of Europe, the United Nations Educational, Social, and Cultural Organization (UNESCO), and other official bodies and private educational associations are trying to write acceptable versions of European and world history. These organizations have held many conferences at which teachers from the Community's European Schools and other experts have made recommendations which have made governments and educational authorities more aware of the importance of textbook revision.

In some cases, bilateral and cultural agreements—such as those between Germany and France, and Germany and Britain—specifically enjoin the respective governments to promote a correct understanding of the other country by means of objective textbooks. But cooperation of teachers themselves has probably been the most effective means of revising textbooks. Contacts between German and British teachers led to a series of Anglo-German historians' conferences between 1949 and 1957. French and German teachers have been meeting regularly for nearly 20 years.

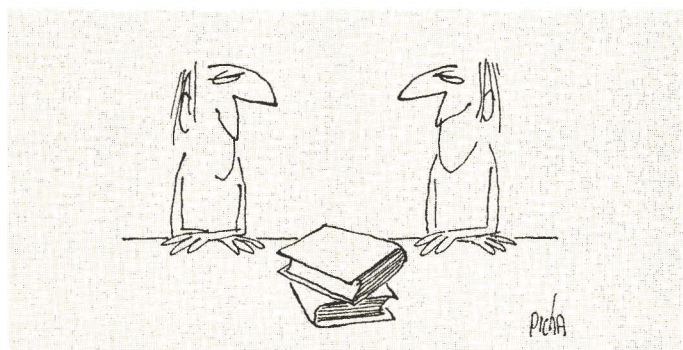
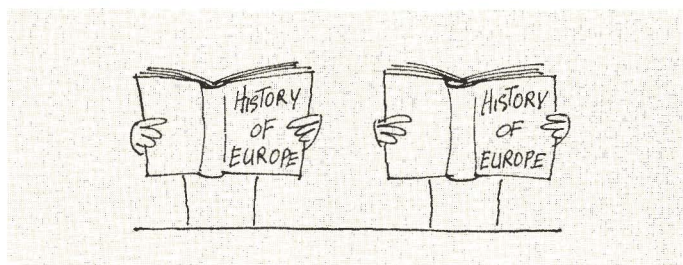
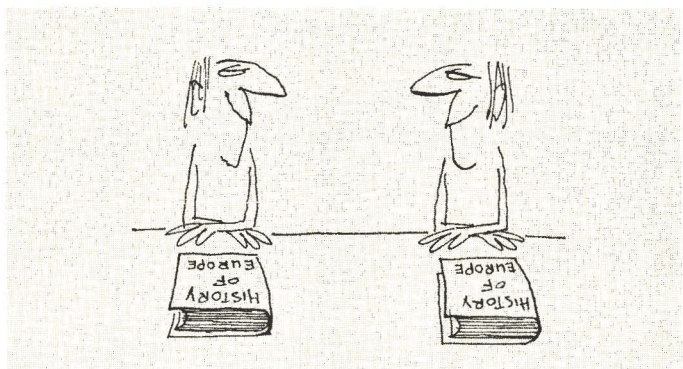
Guidelines for Teaching History

On the basis of critical examinations of textbooks at meetings sponsored by the Council of Europe, teachers have written general guidelines for history teaching and have also worked out common interpretations of historical periods such as the Na-

poleonic era. The long series of Napoleonic wars, they urge, should not be attributed simply to one man's ambition. Teachers should unravel the multiple political, economic, and social strands of history, taking into consideration the characters and conduct of political leaders in different countries. They would like to see more emphasis placed on social, economic, and demographic influences and less on purely political factors, even in dealing with the causes and results of wars. This is an approach that needs a European, rather than a national, context.

Despite more than twenty years' labor, few revisions have actually been made in history textbooks. Discouraging though these results may seem, much necessary groundwork has been laid. Teachers have established valuable personal contacts with others interested in revising history textbooks. Various countries now have groups of experts, and a large amount of material has been published for the guidance of teachers and textbook authors. A relatively efficient system has been developed for revising textbooks, and new international textbook centers are springing up throughout Europe.

"History Teaching and History Textbook Revision." By Otto-Ernst Schuddekopf in collaboration with E. Bruley, E. H. Dance and H. Vigander. Published by the Council for Cultural Cooperation of the Council of Europe, Strasbourg, 1967.





President of the European Communities Commission Jean Rey spoke to the Economic and Social Committee on September 26 about his ideas for a "far-reaching examination of the Community situation." Seated at the table, left to right: Jean de Precigout and Otto Brenner, vice chairmen of the Committee; Jacques Genton, secretary general of the Committee; Matthias Berns, Committee chairman; Jean Rey, and his administrative assistant Raymond Rifflet.

Economic and Social Committee Influences Community Policy

by GUY VAN HAEVERBEKE

One of the main official channels through which influence can be brought to bear on the shaping of Community policies is the Economic and Social Committee. Mr. Van Haeverbeke, administrative assistant to ESC Secretary General Jacques Genton, describes the Committee's functions.

THE ECONOMIC AND SOCIAL COMMITTEE serves as a consultative organ for the Commission and the Council of Ministers on matters covered by the Rome Treaties creating the European Economic Community and Atomic Energy Community. (In the Coal and Steel Community the 51-member Consultative Committee performs a similar role.) The ESC consists of 101 members or "representatives of the various categories of economic and social life" among which the Rome Treaty mentions workers, producers, farmers, transport operators, artisans, merchants, and members of the liberal professions. The Treaty is not very precise or systematic about the Committee's composition. It simply says the Committee shall secure "adequate repre-

sentation of the different categories of economic and social life." On the other hand, the number of members from each country is defined very precisely: France, Germany, and Italy send 24 members each; Belgium and the Netherlands, 12 each; Luxembourg sends 5.

Each state is free to follow its own procedure in drawing up its list of candidates. The composition of these national lists is supposed to reflect the economic and social structure of each of the member states. The members are then unanimously appointed by the Council of Ministers for terms of four years, each member being eligible for reappointment.

The structure of the Committee corresponds to the classical structure of any assembly. The executive, called the Bureau, consists of a chairman, two vice-chairmen and 13 members. All of them are elected by the Committee for terms of two years. The Bureau's duty is to organize the Committee's work.

The plenary assembly of the Committee consists of all Com-

mittee members. They are convened in plenary sessions about eight times a year. As working bodies within the Committee there are the specialized sections which, in fact, may be compared to parliamentary commissions. At present, there are eight such specialized sections, dealing with the main fields covered by the Treaties: agriculture, transport, economic questions, social questions, non-wage earning activities and services, overseas development, and economic and social aspects of nuclear energy.

Besides these working bodies, members of the Committee are allowed to create groups on a professional basis. Members have made use of this possibility since the beginning of the Committee's existence. At present, the members are divided into three groups: employers, workers, and a general interest group.

The situation of the third group is a little bit different from the other two. With its 40 members, it is at the moment not only the largest but also the most heterogeneous group. The main bond between its members—farmers, craftsmen, businessmen, journalists, and members of the liberal professions—is the feeling that they are neither “employers” nor “labor.” The formation of this third group was very unpopular, especially among the labor union members. They feared that such a miscellaneous group would in fact contain a certain number of secret supporters of the employers' group. Voting experience has shown that this fear was not justified, and that the third group contains approximately equal numbers of people who have affinities with employers or with labor, as well as many members who regard themselves as neither employers nor workers. It is a remarkable and encouraging phenomenon that votes in the Committee are not determined on a national basis but on a group basis.

Both the employers' and workers' groups are well-defined and coherent. The employers' group is the smallest, numbering 27 members. The workers' group has 34 members. There are occasional conflicts of interest between industrialists of various branches or nationalities, and there are political and religious differences of opinion between labor representatives who belong to different unions. Nevertheless, solidarity among members of both the workers' and the employers' groups is fairly strong.

Preparing An Opinion

The Committee is convened by its Chairman at the request of the Commission or of the Council. Thus, the Committee has no proper right of initiative and must wait until it is officially consulted by one of these institutions. As soon as such a consultation occurs, the President and the officers ask one of the specialized sections to prepare a report and an opinion. These documents form the basis of the Committee's deliberations in the plenary session and are joined to the Committee's final opinion when it is sent to the consulting institutions. The report contains, besides a general analysis of the problem concerned, an account of the debates and a catalogue of the various opinions expressed by the members. The opinion is the result of the members' efforts to reach a compromise unanimously, if possible, otherwise by majority vote. Both documents give the consulting institutions a complete picture of the original views of the different economic and social groups represented by the members, and of the extent to which they are ready to make mutual concessions.

The Committee must be consulted in cases mentioned in the Treaties and may be consulted in all cases which the Council or Commission deems appropriate. The first category—compulsory opinions—is a large one, since almost every important chapter of the Treaties prescribes a consultation.

The institutions have not only asked the Committee's opinion when they had to, but have also often availed themselves of the opportunity given by the Treaty to consult the Committee on a wide range of important draft directives and regulations for which there was no obligation to do so. The Council and Commission simply thought it would be wise to consult. They thus gave the Committee the opportunity to adopt a definite position about any proposals for Community policies such as regulations concerning a common competition policy, trade policy, and accelerated reduction of customs duties.

Although the Committee has no right of initiative, this theoretical disadvantage has been practically neutralized as a result of the excellent relationship and constant contacts between the Committee and the other institutions. Consequently, if members of the Committee feel they should voice their opinions on a particular question, they simply ask their President to visit or write a letter to the President of the Commission or the Council who, without any difficulty, officially consults the Committee on that question. Sometimes members take the opportunity of directly asking a member of the Commission who is present in the plenary assembly for new consultations.

Finally, there is another procedure through which the Committee has recently been associated with the work of the Commission. This is a preliminary exchange of ideas between the Committee and the Commission before the Commission's proposals have been formalized. In these cases the Committee as such is not invited to prepare an official opinion. The Committee members, however, get the opportunity to express their views to Commission representatives before the proposals take their ultimate form.

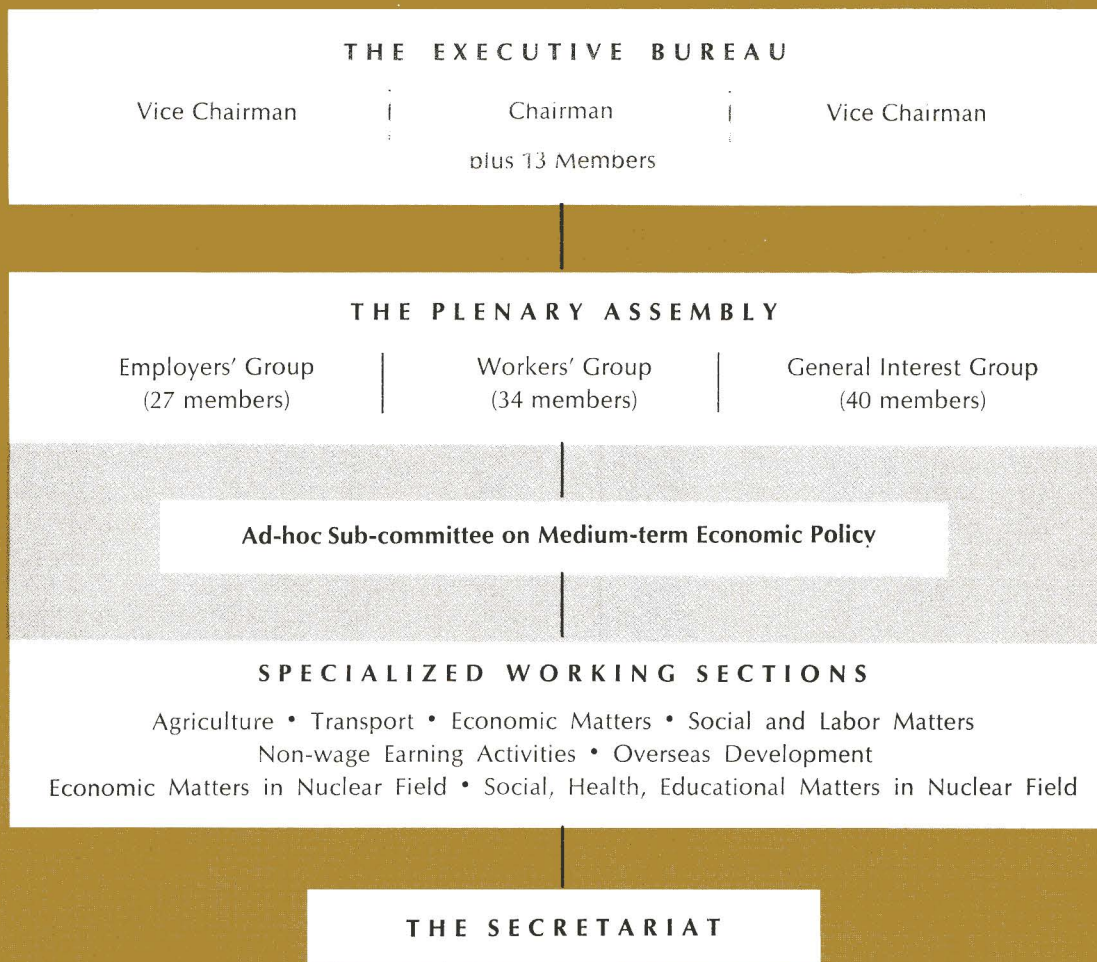
Contrast with Parliament

Whereas the European Parliament is one of the instruments of policy-making, and should be or become the supreme political authority before which the Commission or Council are held accountable for their policy, the ESC is intended to be an advisory council, without political ambitions.

Even if the Parliament and the ESC are consulted on identical problems, the Parliament's opinion is at a higher level than the Committee's. In practice, though, members of the European Parliament increasingly inquire about the Committee's opinion before adopting their own reports. There is no effort or desire between the Parliament and the ESC to compete with each other. The Committee has in fact constantly stressed the need to reinforce the powers of the European Parliament.

It has never been the aim or ambition of the ESC to monopolize relations between interest groups and the Community institutions. There are many circumstances under which institutions as well as interest groups find it convenient to have contacts on a bilateral basis. Such contacts exist and appear to be useful. But most of the interest groups and institutions are now convinced that such contacts cannot completely replace the kind of complementary relationship which is created through the ESC.

THE ECONOMIC AND SOCIAL COMMITTEE



The value of the Committee to the Commission resides in the fact that it is not only a source of technical information but also a first testing-field for its proposals.

Concrete Results

The ESC's impact on Community policy-making is steadily growing, but its influence is difficult to measure in precise terms.

In 1959 the Commission asked the Committee for its opinion on trade policy and wanted to know which products had to be considered "sensitive products" in the EEC's relationship with countries selling at dumping prices, paying abnormally low salaries, or having state-managed trade. There is plenty of evidence that the Committee's opinion was used during the Dillon Round of negotiations in the General Agreement on Tariffs and Trade (GATT); 80 per cent of the Committee's proposals were included in the final agreement.

In 1960, the Committee was consulted on the general lines of agricultural policy. Intense and passionate debates took place in the Committee. The Commission took notice of several ESC suggestions, particularly the institution of consultative committees in the various fields of agricultural policy. Another aspect was that the first signs of reluctance of Community (especially German) industrialists to accept a common agricultural policy were clearly expressed in all Committee debates; on the other hand, Community labor union members voted with representatives of the third group in favor of the common agricultural policy. These were useful indications for the Commission. A third positive aspect of this consultation was one common to all consultations: it gave all Committee members an excellent opportunity to report back about agricultural policy to profes-

sional organizations in their home countries.

In 1961 the Committee was asked to give an opinion on energy policy. About 40 per cent of the memorandum on a common energy policy which was presented to the six governments by an inter-executive group consisted of suggestions put forward by the ESC. In 1962 the Committee was consulted about a draft regulation on the harmonization of added-value taxes. Exceptionally, the Committee's opinion was entirely opposed to the Commission's proposals. A few months later the Council asked the Commission to rewrite these proposals. The new regulation which came out in 1964 contained many of the Committee's suggestions.

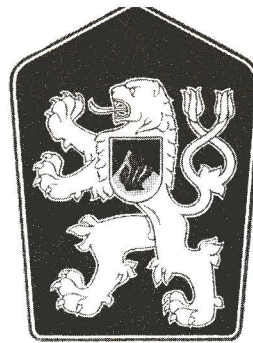
In 1963 the Commission consulted the Committee on the Action Program for the second stage of the transition period. The most interesting discussions took place on the economic policy chapter of this document. The Commission spoke of economic "programming." The ESC's reaction was not completely negative on this point, but a preference was expressed for a less rigid framework called "medium-term economic policy." The Commission picked up this idea and a few months later published proposals in accordance with the Committee's deliberations.

Between 1964 and 1967 the Committee was consulted on almost every important regulation or directive in the fields of agriculture, transport, and social policy. The general line of the Committee's opinions was favorable to most of the Commission's proposals, but here and there changes were requested. The Commission often agreed with them and consequently modified the original text.

Eastern Europe and the Community

FROM HOSTILITY
TO DE FACTO
RECOGNITION

by GEORGE SCHÖPFLIN



Czechoslovak Socialist Republic



Hungarian People's Republic

THE FIRST PRIVATE REACTION of the East Europeans to the Common Market Treaty must have been one of incredulity, accustomed as they were to regarding Western political developments according to Marxist principles. Marx had preordained the rapid collapse of the capitalist economies under the weight of their inner contradictions. Eastern Europe's own experience of integration had been anything but happy; the Soviet interpretation of this concept, during the Stalinist period had meant ruthless economic exploitation. The East Europeans did not see how the European Economic Community (EEC) could possibly work.

Their official reaction to the Common Market was open hostility. Taking their cue from Soviet propaganda, they professed to see in the Community a dangerous plot against peace in Europe, an economic extension of the North Atlantic Treaty Organization (NATO), which would rapidly subordinate Western Europe to the domination of American and German monopoly capital. The East Germans disliked the EEC for economic reasons, too. A closely-knit economic community would crystallize the economic division of Europe, they contended, and blamed the West. The establishment of the European Free Trade Association (EFTA) seemed to bear out this contention. The ostensible division of Western Europe into two competing economic groupings afforded communist publicists an excellent opportunity for illustrating the "inner contradictions of capitalism."

They focused on three principal issues:

- the existence of the two trading blocs as a source of contradictions
- the divisions between the richer and the poorer member states in the EEC, as a result of which the East Germans claimed Germany would dominate the others
- the economic differences within individual Common Market countries, and the "pauperization" of the working classes in Western Europe.

Under Soviet influence, all the communist countries but Poland and Yugoslavia initially used this approach. Not until 1960 after the Berlin crisis did the Poles begin to toe the line, as their domestic situation hardened. Nevertheless, Poland's criticisms of the EEC remained comparatively muted, sometimes restricted to repeating Western criticisms, sometimes merely emphasizing the disadvantages that Community policy caused Poland. The current hard line in Warsaw dates only from the emergence of the close relationship with East Germany, a freezing of positions which has affected nearly everything in Polish political and economic life.

Yugoslavia's Pragmatic Approach

Yugoslavia, the other exception to the hard line, maintained a much more pragmatic approach to the Community. Although the Yugoslavs did not ignore political objections to the EEC, they saw the Community primarily as a threat to their economic position, and found themselves exposed to potential trade discrimination from both the EEC and the COMECON.

George Schöpflin is a specialist in East European affairs. He visited Eastern Europe this summer and was in Czechoslovakia at the time of the Soviet occupation.



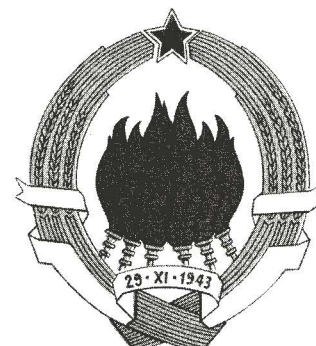
People's Republic of Bulgaria



Polish People's Republic



Socialist Republic of Romania



Socialist Federal Republic of Yugoslavia

The Yugoslavs were also anxious for political reasons. First, they were highly suspicious of the economic penetration by Community countries in Africa, as enunciated in the 1963 Yaoundé Convention of Association. Second, while pursuing a neutral line themselves, the Yugoslavs opposed all political blocs which, as Tito put it in 1958, "hampered integration in the wider sense." In spite of Yugoslavia's early acceptance of the reality of the Community (the only such acknowledgement in Eastern Europe at this time), the Yugoslavs were as tardy as their neighbors in doing anything to come to terms with the new political entity. This inertia came largely from the internal political situation in Yugoslavia (the strength of the party conservatives remained unbroken until 1966) and partly from Tito's hopes of successfully organizing the non-aligned countries of the world into a viable political force.

The hostile first phase of communist attitudes to the EEC, based on the reiteration of dogma, lasted until about 1962, when evidence of the growing success of the Common Market led the East Europeans to reappraise their policies. In particular, the Soviet Union began to recognize the Common Market's attractive power for Eastern Europe and the Third World and its inherent political dangers for Soviet influence. In addition, Community tariffs began to affect East-West trade. Communism's ideological response was the revision of the thesis that the Common Market would disintegrate under the weight of its inner contradictions and acceptance of the Community as a dangerous economic reality. On the political level, Khrushchev's plan to convert COMECON into a supranational planning organ—a move subsequently torpedoed by the Rumanians—was also in part dictated by the need to counter the Community's growing economic and political strength.

Few Direct Contacts

The East Europeans echoed Moscow's ideological guidelines but at the same time began to concentrate their criticism of the Community on specific aspects of what they regarded as "discriminatory" policies, instead of condemning the Community in its entirety. At this stage, for instance, about 1962, Hungarian attitudes began to change. Direct contacts with Brussels, however, remained few and limited. The Poles sent experts to Brussels as early as 1964, but only to deal with technical questions, such as quotas for Polish agricultural produce.

The Rumanians, whose policies of noisy independence from Moscow began to attract increasing attention about 1964, have always opposed international integration, between Eastern countries as well as between Western countries. They favor trade with the West as a means of lessening their dependence on Soviet economic help and technical expertise. In principle and in practice, they have consistently praised the virtues of bilateral economic relations and rejected multilateral groupings.

The first fundamental readjustment of policies towards the Community came from Yugoslavia. In December 1964, Tito explained that in his view Yugoslavia's relations with the West were good, except for a few discriminatory measures by the Community. In May 1965, the Yugoslavs began their attempt to negotiate a general economic agreement with the Community, but success eluded the Yugoslavs then as it did early in 1967 and again in March 1968. In May this year Vasil Grivecev, Yugoslavia's Federal Secretary for Foreign Trade, published in

IS THE IRON CURTAIN EUROPE?

We must reckon with the possibility that there are nations who prefer Communism to parliamentary democracy. This brings us to the central issue of our European policy: is our concept of Europe aimed at the creation of a faithful community of parliamentary democracies which excludes communists as heretics wherever they may live? Or is Europe, in our view, a geographical-historical-cultural concept, a land mass with its own structure and its own tasks?

In other words, do we want to acquiesce to the existence of the Iron Curtain and deliberately concentrate our activities in the field of European policies in the area to the west of the Iron Curtain? Or do we want to make renewed efforts to formulate a European policy which admits countries such as Poland, not only as possible treaty partners but also as members of a larger European community?

The relations between countries with free market and cooperative economies involve numerous problems. The mechanisms of competition, which are governed by production and consumption in free market economies, could not function under a cooperative economic system. There would also have to be transitional solutions for the freedom of movement of the individual. It would be dangerous to belittle these problems. But we should not allow ourselves to be deterred by them.

A new larger Europe, which was intended to overcome the Iron Curtain, would have to be initiated cautiously. We should remind ourselves of the way in which western European cooperation began. . . . An atmosphere of confidence and cooperation was gradually established, which later made possible more effective European alliances. We should give some thought to whether an institution could be created for the whole of Europe—perhaps in Vienna, which naturally plays a mediating role between east and west in Europe. The creation of an institution of this kind would be only the first step. Many problems would still have to be solved; and the time is not yet ripe for solving the most important ones.

HANS DICHGANS, German Christian Democrat member of the European Parliament. *Europa Archiv*, Issue No. 7, pages 235-240, Bonn, April 4, 1968.

the *Belgrade Review of International Affairs* a detailed analysis of the highly prejudicial impact of the common agricultural policy on the exports of Yugoslav agricultural produce. The article, which represents the Yugoslav Government's thinking on the subject, hinted that Yugoslavia might have to initiate "corrective measures." In July, however, the Community's Council of Ministers approved the opening of negotiations with Yugoslavia, and the Commission has scheduled the first round for this fall.

Economic Necessity

The more realistic and practical approach by the communist countries to the Common Market appeared to derive, unsurprisingly, from economic necessity. The two most trade-dependent countries of Eastern Europe, Hungary and Czecho-

slovakia, were the next to clarify their policies. On February 23, 1968, the Hungarian Prime Minister, Jenö Fock, stated categorically that the Common Market was now a reality and that if negotiations proved to be in Hungary's interest, Hungary would not hesitate to negotiate with it. On April 19, Václav Vales, Czechoslovak Foreign Trade Minister, repeated these sentiments, stating that Czechoslovakia would be willing to recognize the EEC, if recognition were to Czechoslovakia's advantage. He added that bilateral discussions, which had already been started with France, Germany, and Italy with a view to intensifying economic cooperation, were going well.

Eastern Europe's businesslike attitude in Eastern Europe towards the Community did not appear to find a ready response in Brussels. As Vasil Bilak, Czechoslovak First Deputy Foreign Minister, said in an interview on May 4: "We are now examining the impact of the Common Market on our economic relations with West European countries. I cannot give you more information at the moment, but we are interested. In general, we regard the Common Market favorably, but a great deal depends on the attitude of the Common Market countries."

The Trade Pattern

The pattern of trade between the Six and Eastern Europe helps to explain the Community's relatively lukewarm interest in Eastern Europe. From the Community's point of view, Eastern Europe is economically unimportant. In 1965 6.5 per cent of EEC imports came from Eastern Europe (without Yugoslavia) and 6.3 per cent of EEC exports went there. East European exports to the Community consist largely of agricultural produce and raw materials. In view of the Community's own agricultural surpluses, the Six are less than enthusiastic about offering extensive trade concessions to East European exports. So far, the East Europeans have managed to avoid the worst effects of restrictions deriving from the common agricultural policy by switching the content of their exports, but this kind of procedure is neither conducive to good long-term economic relations nor a substitute for a trade agreement.

Although it now looks politically impossible, the East Europeans, do need to increase their exports to the industrial West, far more than the Western countries need to expand their shipments to the East. Between 15-20 per cent of East European trade is with the Community, trade that both qualitatively and quantitatively is much more important to them than to the Six. Most communist economies face the problem of equipping or re-equipping their industries with modern machinery; to succeed they must have access to the more sophisticated techniques developed in the West.

A fall in their foreign earnings, as a result of the common agricultural policy and other difficulties, would gravely accentuate their already chronic shortage of convertible currency. The United Nations' *Economic Survey of Europe 1967* stated that tariff discrimination on trade in manufactured products had hampered East European exports to Western Europe (to EFTA as well as to the EEC), even in cases where this adverse impact had been mitigated by tariff reductions in the General Agreement on Tariffs and Trade (GATT). Indeed, although trade between the Six and Eastern Europe (Bulgaria, Czechoslovakia, Hungary, Poland, and Romania only) increased from \$2.2 billion in 1966 to \$2.4 billion in 1967, this rise resulted largely

from growth of East European imports from the Community and was not balanced by a corresponding rise in their exports.

There is, nevertheless, a certain awareness of the relatively unfavorable position of the East Europeans in official circles in Brussels. During a debate on this subject in the European Parliament on March 12, Jean-François Deniau, a member of the Commission, indicated that he recognized that the situation was changing and that trade between the Six and Eastern Europe had grown significantly in the last few years. On the other hand, he explained that the Commission could not at that stage formulate guidelines for trade with Eastern Europe. In the absence of a general agreement among the member states on the objectives of such a guideline, as he suggested was the case, it was extremely difficult to draw up any kind of regulation in this respect.

As Mr. Deniau saw it, there were three aspects to any such guidelines. First, administrative and legal: in spite of a considerable relaxation in matters like the lifting of strategic embargoes, trade with Eastern Europe still fell into a special category. Second he touched on the Economic aspects: his analysis was substantially the same as that offered above, that the East Europeans were too dependent on agricultural exports and that he hoped to see a greater diversification into industrial goods. The third aspect mentioned by Mr. Deniau was the political. Here he insisted that the unity of the Community could not be jeopardized but that the policies of the Six should move into a more active phase in expanding trade with Eastern Europe. In short, Mr. Deniau expressed himself, but cautiously, in favor of a dialogue with Eastern Europe.

This debate dealt with a report on trade between the Community and the "state-trading countries" of Eastern Europe, written for the European Parliament by Karl Hahn, German Christian Democrat. Mr. Hahn was considerably more enthusiastic and more outspoken in the debate than Mr. Deniau. He accepted that trading with Eastern Europe was in part a political question, and even though the difficulties of trading with Eastern Europe should not be underestimated, he strongly favored a Community policy. In particular, Mr. Hahn suggested that it would serve no useful purpose to refuse to recognize that this trade involved agricultural imports and presented major problems for the countries of the Six. Essentially, the key to trading with Eastern Europe lay in formulating a common policy on imports and also in regulating credits. Finally, Mr. Hahn strongly criticized the Council of Ministers for having failed to do anything about trade with Eastern Europe, although proposals had existed since 1964.

The prospects are not particularly encouraging, from either point of view. As far as the communist countries are concerned, their trading structure, especially their irrational pricing systems, is the main economic obstacle. On the other side, the Six have not been able to agree on a common trade policy. As a result, bilateralism tends to be perpetuated. In the present political situation, it is extremely difficult to predict how things will evolve; certainly the cautious optimism expressed in the debate in the European Parliament in March must have dissolved completely since the invasion of Czechoslovakia. For the moment, the political will to bring about a more rational trading structure between the Community and the East Europeans is significantly absent.

COMMUNITY NEWS

COMMISSION TAKES INITIATIVE AND PROPOSES NEW MULTIANNUAL RESEARCH PROGRAM FOR EURATOM

The European Communities Commission has warned the member governments of the European Atomic Energy Community that they must work together, or "renounce all hope of playing a part in major industrial competition . . . in the coming decades for the production and sale of giant electric power plants."

The Commission gave this warning in a policy paper and situation report on the state of the nuclear industry in Belgium, France, Germany, Italy, Luxembourg, and the Netherlands, the six Euratom members. The paper was submitted to the Council of Ministers on October 10, together with:

- a draft multiannual research and training program, and
- the preliminary draft of the 1969 research and investment budget.

On December 8, 1967, the Council of Ministers had indicated that it would define guidelines for Euratom's new multiannual program by June 30, 1968 (see *European Community* No. 108, page 21). However, the Council's meeting to define guidelines was twice postponed, and, as the Commission informed the Council on July 25, too little time remained to pass guidelines and enact a program before the end of the year. To assure continuity of Euratom's research, the Commission took the initiative in preparing these proposals.

Dispersion of Research

In the policy paper, the Commission said that it considered it its duty to create the conditions for the development of a powerful nuclear industry, but noted that after ten years it was still far from this goal. "While Euratom's own activities have often been fruitful within the limits imposed upon it," the Commission said, the Community has not succeeded in coordinating the efforts of the member governments, much less in welding them into a coherent whole."

This dispersion of research and development programs within the Community has been an obstacle to the attainment of the nuclear common market. Just as the member governments have allotted credits and public contracts solely to their domestic industries, so too the orders placed by electricity producers have invariably gone to contractors in the country concerned. Thus, the development of nuclear industries within the Community has not been able to profit from the elimination of customs tariffs and quotas, even though the process was initiated when the Euratom Treaty came into force.

This shortcoming is not due to inadequate financing for research, the Commis-

sion said. "Euratom and the individual member governments have put almost as much money into public civilian research as has the United States, which means that the Six, in relation to their gross national product, have made a greater effort." The fault lies with their failure to coordinate their efforts. The results of dispersion are becoming more and more apparent, the Commission said, citing some figures to show the extent of the reorganization needed for Europe to compete with the United States.

- The Community and the United States now have about the same capacity for nuclear generation of electricity (17 plants with a total capacity of 2,277 mWh in the Community, compared with the United States' 15 plants with a capacity of 2,299 mWh.
- In the United States 100 plants, with a total capacity of 60,000 mWh are on order or under construction, as compared with 20 plants in the Community's with a capacity of 6,000 mWh.
- America's 100 plants are being built by four or five companies, whereas Europe's 20 plants are being built by a dozen firms. The total value of the 20 European orders amounts to less than the value of orders on just one of the American companies' books.

Strategy for Reorganization

The Commission called upon Euratom members to define in common "a group strategy for nuclear development" and reorganization to correct this trend. Such a plan must:

- guarantee an adequate supply of reasonably-priced energy in the Community. This objective will require a joint effort by the public authorities, electricity producers, and generating plant builders. The Commission emphasized that investment in research will not suffice, unless action is brought to bear simultaneously on the structure of the nuclear industry.
- include a strategy of reactor development. The Six cannot afford the luxury of bringing a half dozen kinds of advanced heavy-water and high-temperature converters for proven type reactors to the production stage while trying to build three different prototypes of breeder reactors.
- assure the Community access to a source of enriched uranium. A sufficiently large isotopic separation plant will have to be built in Europe to produce enriched uranium at reasonable prices. The construction of such a plant would provide a good opportunity for common action in a key sector.
- coordinate national and Community projects. This goal means that the Commission, in conformity with Article 5 of the Euratom Treaty must receive complete information on every research project on which the mem-



This German nuclear power plant was built by Allgemeine Elektrizitäts Gesellschaft, a company that receives tax and customs concessions because of its joint enterprise status.

ber countries decide. Each project must be carefully examined, so that all nuclear research in the Community will fit into a coherent whole.

The joint policy for all aspects of nuclear development should obviously cover the Joint Research Center Establishments, the Commission said. In the process of re-orienting Community research, pure research should not be compromised, because future technical progress depends on it.

The Commission pointed out that joint efforts cannot be limited to the area of science and research. For nuclear development, essential projects in other areas must be concluded: the European company statute, the elimination of administrative and fiscal barriers to trans-national mergers, the European patent, the common market for capital, collaboration between universities and public and private research centers, and the coordination of numerous international organizations that are financed from the same source but whose research activities are not coordinated by that source.

The Commission is convinced that if disagreement on the future activities of Euratom continues, it will not only limit the effectiveness of Community research in the nuclear field, but it will also have dire consequences in other areas of the Community's activities. Thus, for instance, a profligate waste of brainpower will compound the current waste of public resources.

At the same time, the isolation of the national markets will continue to prevent any competitive development in the nuclear industry. U.S. technology will continue to dominate Europe, because of the natural advantages it receives from its large national market.

Deciding Euratom's future involves these problems. Either the member countries find a way to advance together effectively, relinquishing sovereignty wherever necessary, or they can give up any hope they may have of making a good showing in the next decade's industrial race for the production and sale of huge nuclear generation plants.

The Commission emphasized the serious repercussions a prolonged Euratom crisis could have in other areas: "The inability to make progress in a sector of advanced technology where structures have not yet been consolidated cannot fail to compromise chances for common technological and industrial research and development policy in other key sectors and in the traditional industries.

The Proposed Multiannual Program

Euratom's proposed multiannual program calls for three types of activities:

- direct activities performed at the Common Research Center's four Establishments

(Ispra in Italy, Petten in the Netherlands, Karlsruhe in Germany, and Geel in Belgium).

- indirect activities performed by competent organizations and interested enterprises in the member countries with Euratom's participation and with consideration given to the investments the Community has made under association contracts with specialized research organizations

- study and coordinating activities performed by Euratom to promote contacts and exchanges of experimental data between interested organizations in order to make optimal use of all research results and facilities.

In addition to Euratom's own program, the proposal provides for complementary programs of different durations and financial participation, as well as for other kinds of activities, such as the formation of joint enterprises.

Euratom's direct activities and the continuance of the associations require the unanimous consent of Euratom member countries. Most projects in the multiannual program will run for five years, but other time limits have been suggested in cases that require the immediate collaboration of the member states for the creation of new

industrial structures and in other cases where the project reaches a natural conclusion within a different time limit.

Areas of Emphasis

The proposed multiannual program emphasizes power reactor development, medium-term basic research of general interest, and public service activities.

Reactor development research will concentrate on fast-breeder, heavy-water, high-temperature, and proven-type reactors and on the solution of technical problems related to their development. The use of plutonium as reactor fuel will receive particular attention.

Research of general interest will include reactor, solid state, fusion, and plasma physics; materials research; direct conversion of energy, biological and health protection research, and reactor safety.

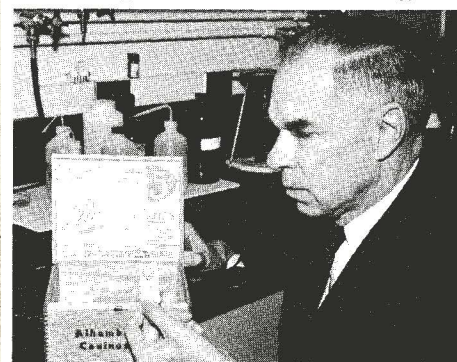
Euratom's public service functions include supply and control of fissile materials, information, and coordination. Other activities range from running a computer bank of nuclear literature at the Center for Information and Documentation in Luxembourg through keeping weights and standards at the *Bureau Central de Mesures Nucléaires* in Geel, Belgium, which keeps nuclear standards and measurements.

SEABORG, EURATOM DISCUSS ATOMS-FOR-PEACE

Glenn T. Seaborg, chairman of the United States Atomic Energy Commission, paid a visit to the European Communities Commission in Brussels on September 19. He was received by Fritz Hellwig, Commission vice president with special responsibility for research and the Community's nuclear research centers, Wilhelm Haferkamp, commission member with special responsibility for energy, and E. M. J. A. Sassen, commissioner with special responsibility for competition.

Mr. Seaborg's visit was one of the regularly scheduled contacts between the USAEC and the Community in the context of the USAEC-European Atomic Energy Community Cooperation Agreement which covers joint research and development, exchange of information, assignment of technicians, and fuel transactions. The meeting was used to review these

different aspects of Euratom-USAEC collaboration in the peaceful use of atomic energy.



Atomic Energy Commission Chairman Glenn T. Seaborg, a co-discoverer of plutonium-239 holds the first sample ever created of the fissionable form of the nuclear fuel.

FRANCE MAINTAINS INVESTMENT CONTROLS

The French Government has told the Commission that investments in France originating in other Community countries must still be officially notified, even though there will be no question of authorization being withheld.

France imposed controls on foreign investment in January last year—a move which the Commission has regarded as incompatible with Community provisions for the free

movement of capital. The French Government believes that it needs to continue to control foreign investment until the Six have adopted a common policy on investment from non-member states, including capital that is channeled from one member state into another but has its source outside the Community.

GERMAN BANKERS WANT THE SIX TO WORK MORE CLOSELY ON MONETARY MATTERS

The West German Bankers' Association has called for an increase of monetary cooperation between the six countries in the European Community.

The Association of privately-owned German banks made this recommendation in its annual report. Progress on monetary matters could stimulate integration in other fields, the bankers believe.

They would like to see the authority of the European Communities Commission widened in the coordination of economic policy. The Commission now makes economic policy proposals to the Council of Ministers which issues them as non-binding "Recommendations to the Member States." Without changing the optional nature of these recommendations, the German bankers would have each member government comment on recommendations addressed to it, so that a clear view could be obtained of what the Commission believes necessary for economic reasons and what governments thought practical politics.

WORLDWIDE ABOLITION OF DUTIES ON MOVIES URGED

The European Communities Commission has called for the worldwide abolition of customs duties on movies (other than advertising films).

Books, newspapers and periodicals can now circulate freely under an agreement signed in Florence in 1950 by the member states of United Nations Educational, Social, and Cultural Organization (UNESCO). The purpose of the agreement is to assure "the free circulation of ideas and knowledge." The Commission has suggested to UNESCO that because films now play such an important part in diffusing ideas they too should be included in the agreement.

EC MOVES IN ON TECHNICAL BARRIERS TO TRADE

Proposals to eliminate some of the technical obstacles to intra-Community trade in motor vehicles, tractors, and agricultural machinery, crystal, electrical machinery, pipelines, and fuel gauges for ships are now before the European Communities Council of Ministers, for action before the end of the year. The Commission sent them to the Council at the end of July.

The importance of differences in technical standards as obstacles to intra-Community trade has increased since the completion of the customs union on July 1. The alignment of technical standards must be finished by the end of 1969.



Ministers of Finance Meeting, Rotterdam, September 10, 1968

FRENCH RECOVERY SATISFIES COMMISSION

The European Communities' Commission expressed satisfaction on September 12 with the results of its first review of the French economy's progress since the Community granted "mutual aid" in July (see *European Community* No. 115, page 3).

At its meeting on September 12, the Commission also indicated that it was pleased with general economic trends in the Community and with the national economic policies revealed in the recent French, German, and Italian budgets.

After the May strikes in France the Community's gross production index fell from 185 to 170 (1958=100) according to the seventh and latest issue of the Commission's "Graphs and Notes on the Economic Situation in the Community." By mid-June, production in the Community as a whole had recovered. In Germany, it was expanding 10 per cent faster than at the same time a year earlier, and the large backlog of capital goods' orders was still growing. Strong demand from Germany and other member countries boosted industrial production in Belgium and Luxembourg. By the beginning of July, industrial production in France seemed to have reached the April level.

Between May and July, the Community lost \$1.5 billion in gold and foreign exchange reserves. French reserves declined \$1.8 billion, a loss not fully reflected in its official position because of an \$885 drawing in dollars on the International Monetary Fund and \$600 borrowed from Community central banks against a \$1.3 billion stand-by credit.

Finance Ministers Prepare For IMF Meeting

The Commission also heard a report on the September 9-10 meeting of the Community members' finance ministers in Rotterdam. The

finance ministers discussed problems of public finance that affect balanced development of the Community economy and asked the Committee on Budgetary Policy to report, at the next meeting, on the means of improving the Community's budgetary mechanisms.

With the participation of the governors of the central banks, the finance ministers reviewed international monetary problems. In preparation for the annual meeting of the International Monetary Fund in Washington on September 30-October 3, the Community members synchronized their views.

Both the Commission, at its meeting, and the finance ministers, at theirs, expressed satisfaction with the agreement announced by the Bank for International Settlements in Basle on September 9. According to the agreement Belgium, Germany, Italy, the Netherlands, Austria, Canada, Denmark, Japan, Norway, Sweden, Switzerland, and the United States will make available to the Bank of England a total amount of up to \$2 billion to offset fluctuations in the sterling balances. Sterling balances are deposits in London of reserves in pounds sterling owned by former British colonies. To keep these balances in London, the Bank of England has guaranteed their current value in dollars. The communique issued by the finance ministers after their meeting noted that the French Minister of Finance François Ortoli had indicated that France approved of the agreement and had not ruled out its participation in the future.

CORRECTION

In the September issue of *European Community* issue No. 116, page 8, lines six through 14 under subhead "Eventual Dividend" were transposed and should appear at the top of the column.

TOURISM IS A MAJOR EXPORT INDUSTRY, OECD REPORTS; RECEIPTS IN 1967 AMOUNTED TO \$11 BILLION, A RECORD HIGH

International tourism has become one of the major export industries in most member countries in the Organization for Economic Cooperation and Development.

Tourist receipts (excluding transport) amounted to \$11 billion in 1967, an increase of \$1 billion since 1966, according to the OECD's annual report on tourism. The report, released in Paris on July 25, was published in September as "Tourism in OECD Member Countries in 1967 and the Early Months of 1968."

In 1967, the OECD members' receipts corresponded to 8 per cent of their earnings from exports of goods and 6 per cent of their earnings from exports of goods and services. Their expenditures abroad, \$10 billion in 1967, represented 5 per cent of their visible and invisible imports. Thus, tourism is a significant item in the OECD countries' balance of payments and in their economies, the OECD said. Countries with balance-of-payments deficits were, nevertheless, urged whenever possible to increase their receipts instead of placing restrictions on their residents' foreign travel.

Government's Role in Facilitating Tourism

In view of the probable expansion of demand

for foreign travel when supersonic and jumbo aircraft enter service, the OECD suggested that governments give tourism its proper place in their national plans for economic development and intensify their efforts to relieve congestion at the peak of vacation season.

Simplification of frontier formalities, and improvement of tourist reception, information, accommodations, transport, and leisure facilities were among the areas mentioned as needing special attention. Staggering holidays and prolonging the traditional tourist seasons remain crucial problems. Despite efforts by some countries to encourage their residents to take vacations in June or September, the pressure on accommodations and transport in July and August has increased. The construction of additional accommodations to meet an essentially seasonal demand would raise serious questions of profitability. Concerning road traffic and the high accident rate in summer, the OECD Tourist Committee plans to consider solutions through international coordination of measures that the individual European countries have enacted or may have to enact.

The OECD called for new efforts to simplify control procedures and reduce delays at air-

ports and frontiers, for instance by the use of identity papers that can be checked electronically. It also suggested that neighboring countries set up procedures that would allow them to abolish identity checks within the area. This is an approach that the Scandinavian countries, the Benelux countries, and the United Kingdom and Ireland have used successfully within their respective areas.

Tourist Industry Must Make the Major Effort

The development of international tourism, however, depends to a large extent on the tourist industry's own efforts. The OECD urged the different branches of the industry to coordinate and adapt their activities to meet rapid and extensive changes in demand for their services. Among praiseworthy innovations during 1967, the OECD noted that the industry had extended prices that include service charges, initiated all-inclusive tours, tried to lower and stabilize hotel charges and prices of tourist services, introduced electronic hotel and airline reservation systems, and developed international credit and payment facilities for tourists.

Trends in Tourism in 1967

Tourism, which is particularly sensitive to fluctuations in the general economic situation, was influenced in 1967 by economic slowdowns in Germany, France, and the United Kingdom, according to the report. Travel from the United Kingdom was also curtailed by restrictive foreign exchange allowances and the devaluation of the pound sterling last November.

In 1967, foreign tourists spent 450 million nights in the European OECD member countries, an increase of 1 per cent since 1966. European OECD members' tourist receipts amounted to \$7.9 billion, an increase of 3 per cent of the 1966 total. These rates compare with 5-8 per cent increases in the number of nights spent and 10-15 per cent increases in tourist receipts during the previous four years.

Change in Pattern in 1968

In the first half of 1968, international tourism developed unevenly, following a higher growth rate than in the first half of 1967 in Italy, Spain, Portugal, and the United Kingdom. It developed at a lower rate in Yugoslavia and Germany, and at about the same rate in Austria, Switzerland, and the United States.

The trend of tourist movements also varied from the pattern of the first six months of 1967. Twenty-two per cent more Germans visited the United Kingdom, 8 per cent more went to Spain, and 5 per cent more, to Portugal, for example. The number of French visitors remained roughly the same in Spain, but increased by 10 per cent in the United Kingdom.

OECD MEMBERS' TOURISM ACCOUNTS

(in millions of dollars)	Receipts			Expenditure		
	1966	1967	Per Cent Change	1966	1967	Per Cent Change
Belgium-Luxembourg Economic Union	230	242	+ 5	320	370	+16
France	1,019	1,041	+ 2	994	1,097	+10
Germany	797	871	+ 9	1,573	1,532	- 3
Italy	1,460	1,424	- 3	261	298	+14
Netherlands	275	299	+ 9	372	351	- 6
Community Total	3,781	3,877	+ 3	3,520	3,648	+ 4
United States	1,590	1,646	+ 4	2,657	3,195	+20
United Kingdom	613	652	+ 6	832	763	- 8
Austria	595	615	+ 3	171	219	+28
Denmark	201	222	+11	187	228	+22
Greece	143	127	-11	41	41	(0)
Iceland	(3)	(3)	(0)	(10)	(10)	(0)
Ireland	182	197	+ 8	88	83	- 6
Norway	95	102	+ 7	78	90	+16
Portugal	260	258	- 1	82	71	-13
Spain	1,132	1,127	(0)	67	78	+26
Sweden	99	109	+10	242	287	+19
Switzerland	554	575	+ 4	224	235	+ 5
Turkey	17	19	+ 6	30	27	-10
Canada	780	1,209	+55	836	813	- 3
Japan	79	89	+13	118	146	+24
TOTAL OECD Member Countries	10,135	10,827	+ 7	9,183	9,934	+ 8
Yugoslavia	117	150	+78	34	52	+66

NOTES: (1) Figures exclude receipts and expenditure on account of international tourist transport, except for Canada.

(2) Figures for Canada, Ireland, United Kingdom, United States and Switzerland are based mainly on sample inquiries; figures for the other countries are based on bank returns.

(3) Figures for Iceland are provisional estimates.

Source: OECD

EC TRADE INCREASES WITH AFRICAN ASSOCIATES

Total trade between the Community and the 18 African associated states last year amounted to \$2.23 billion compared with \$2.17 billion in 1966.

The European Economic Community's imports from the Eighteen amounted to \$1.30 billion in 1967, compared with \$1.32 billion in 1966. The reduction was mainly attributable to reduced deliveries to Belgium and Luxembourg of zinc, tin, manganese, and some agricultural products. However, there were increased deliveries to the Six of cocoa, groundnut-oil, palm-oil, cotton, and aluminum.

Community exports to the Eighteen amounted to \$926 million in 1967, compared with \$847 million in 1966. The most noticeable increases were recorded by Italy and the Netherlands. France remained the largest supplier, accounting for 67.7 per cent of the Community's total exports to the area. Belgian exports declined by about 12 per cent.

FRENCH OIL MONOPOLY MUST BE CHANGED BY 1971

France must modify its monopoly system for imports of petroleum by the end of next year, the European Communities Commission has reaffirmed.

Answering a written question from Adriaan Oele, a Dutch Socialist member of the European Parliament, on August 14 the Commission stated that although adjustment within the context of a common oil policy was desirable, the Treaty provisions for national trade monopolies had to be applied at the end of the transition period to eliminate discrimination between member states. The Commission will address a recommendation to the French Government "when the occasion arises."

The French Government would prefer to adjust its oil monopoly after the Community has enacted a common fuel policy. In this way France would have to revise its oil policy only once.

CHRISTIAN DEMOCRATS SUPPORT EUROPEAN UNITY

Representatives of Christian Democrat parties from ten Western European nations ended a three-day congress in Venice on September 15 calling for European unity, friendship with the United States, and collaboration with Latin America.

A resolution approved at the end of the congress of the European Christian Democrat Union said that "unity for Europe is the primordial condition for its autonomy, development and security." Representatives came from the six European Community countries and Austria, Switzerland, Malta and San Marino.



Gimbels sidewalk cafe served the European Community members' "national dishes".

GIMBELS SALUTES COMMON MARKET

Gimbels New York paid a storewide tribute to the European Community on September 9-21.

Merchandise from each Common Market country—Belgium, France, Germany, Italy, Luxembourg, and the Netherlands—was displayed on all nine floors in the main store. A spokesman for Gimbels said that sales during the show were 10 per cent higher than they had been at the same time last year, but no breakdown was immediately available on the value of Common Market goods that were sold and re-ordered.

To recreate Europe in New York, the store was decorated from the sidewalk to the top floor with castles, windmills, and other symbols of Europe. Special exhibits included an "Avenue of Art" on which models were reconstructed of the homes of Peter Paul Rubens, Victor Hugo, Ludwig Van Beethoven, Leonardo da Vinci, and Robert Schuman.

André Lamy, who is head of expositions for the Common Market, flew over from Brussels for the ribbon cutting ceremony. Bernard B. Zients, president of Gimbels New York presided. Representatives of the Common Market countries were also present.

"OTTO HAHN" MAKES MAIDEN VOYAGE

The ore carrier "Otto Hahn," Europe's first nuclear merchant ship, put out from Kiel, Germany on October 11 for a six-hour maiden voyage in the Baltic.

The European Atomic Energy Community contributed \$4 million of the \$14 million costs of building and equipping the ship to furnish data for future nuclear vessel construction (see *European Community* No. 111, page 15). The German Government and the four German coastal states financed the remaining costs of \$10 million.

The "Otto Hahn," was built for a hull

speed of 16 knots per hour. During this trial she attained a speed of 17 knots, but was not fully loaded. The performance of the advanced pressurized water reactor driving the ship was entirely satisfactory and in general, its characteristics are better than had been expected, according to the trial report.

The 48-hour final acceptance tests on the reactor are scheduled for November. At that time a full record of the performance data will be drawn up.

CZECH CRISIS SPOTLIGHTS NEED FOR UNITED EUROPE

The Czech tragedy has spotlighted the urgent need for a united Europe, according to the "Campaign for Europe," a British all-party organization that promotes a united Europe, from its headquarters in London.

Condemning the Soviet occupation of Czechoslovakia, Campaign for Europe said: "It is significant that in this hour of crisis in our continent we Europeans are helpless whilst our freedom and destiny depend upon the actions of the two super powers.

"We, therefore, call upon all Europeans in the West and the East to protest against this act of Soviet imperialism, and to redouble their efforts to achieve self-determination in their own countries, thus bringing nearer our common objective of an independent and united Europe free from great power domination."

LINTHORST HOMAN HEADS EC LONDON DELEGATION

Johannes Linthorst Homan arrived in London on September 6 to take up his duties as the new head of the delegation in the United Kingdom of the European Communities Commission. He succeeds E. N. Van Kleffens, who retired last year.

EUROPEAN COMMITTEE FORMED TO HELP CZECHS

Alain Poher, President of the European Parliament, has set up a European action committee to help Czechoslovakia. He has received the support of the Presidents of the four political groups in the Parliament: Joseph Illerhaus, German Christian Democrat; Francis Vals, French Socialist; René Pleven, French Liberal; and Raymond Triboulet, European Democratic Union (Gaullist).

STEEL PRODUCTION MOUNTS

Crude steel production in the European Community amounted to 56,365 tons in the first seven months of 1968, compared with 52,031 tons for the same period last year. This represents an increase of 8.3 per cent. Production of crude pig iron rose to 41,030 tons from 37,808 metric tons—an 8.5 per cent increase.

PUBLICATIONS AVAILABLE

THE IMPLEMENTATION OF A COMMUNITY NUCLEAR POLICY. *Information Memo P-54/68*, Commission of the European Communities, Brussels, October 1968, 7 pages (mimeographed) free
Describes the Commission's general report to the Council of Ministers on the problems of nuclear development within the Community. Contains an annex of abbreviations used in the nuclear sector.

INVESTMENT IN THE COMMUNITY COALMINING AND IRON AND STEEL INDUSTRIES. Commission of the European Communities, Brussels, July 1968, 94 pages \$3.00
Position of investment in the coalmining, iron and steel industries as of January 1, 1968.

TAX HARMONIZATION IN THE EUROPEAN COMMUNITY. *Community Topics*, No. 29, European Community Information Service, Brussels, July 1968, 12 pages free
A discussion of the Community's work in the field of indirect and direct taxation with emphasis on turnover taxes. Based on a series of lectures given by Johannes Jansen, Head of the Indirect Taxation Division, Commission of the European Communities.

NOTICE ON THE COMMISSION'S POLICY ON RESTRICTIVE BUSINESS AGREEMENTS; THREE DE-

CISIONS ON INDIVIDUAL CASES OF RESTRICTIVE BUSINESS AGREEMENTS; DECISION ON MEASURES RELATING TO EXCLUSIVE DEALING AGREEMENTS. *Information Memo P-46/68*, Spokesman's Group, Commission of the European Communities, Brussels, July 1968, 16 pages (mimeographed) free
Policy paper on the compatibility of cooperative agreements with the Communities' competition laws.

JULY 1, 1968. *Information Memo P-41/68*, Spokesman's Group, Commission of the European Communities, Brussels, June 1968, 13 pages (mimeographed) free
Summary of the achievement of customs union for industrial and agricultural products.

INDUSTRIAL STATISTICS, No. 2, 1968. Statistical Office of the European Communities, Brussels, 175 pages \$1.50
French/German/Dutch/Italian text

This statistical periodical on industrial production in the Common Market contains a lead article about the partial results of the 1963 Industrial Survey of the Community. It includes such data as number of firms, number of employees and trainees, turnover, salary and social security expenditures, and net value of production for more than 150 industries with 10 or more employees.

LE DROIT DES SOCIETES DANS SES RAPPORTS AVEC LA CONCENTRATION. *Série Concurrence* No. 5, Commission of the European Communities, Brussels, 99 pages \$3.00

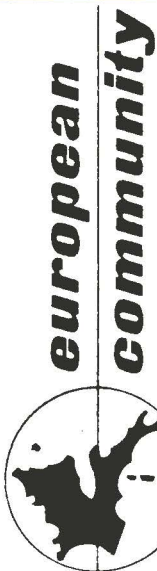
A study by professor René Rodière of corporate law and industrial concentration. Analyzes the concentration of power within corporations in Europe as well as the legal processes for merging several separate firms.

EXPOSE ANNUEL SUR LES ACTIVITES D'ORIENTATION PROFESSIONNELLE DANS LA COMMUNAUTE. Commission of the European Communities, Brussels, 1967, 92 pages \$1.00

The first report of a new series which describes developments in vocational training in the member states. This report covers 1964-1966 and gives special attention to legislation, budget, personnel, methods and current studies.

THE ECONOMIC SITUATION IN THE COMMUNITY No. 2, 1968, Commission of the European Communities, Directorate General for Economic and Financial Affairs, Brussels, June 1968, 99 pages \$2.00

The first quarterly report published since the French crisis in May 1968 covering the economic situation from April through June 1968.



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