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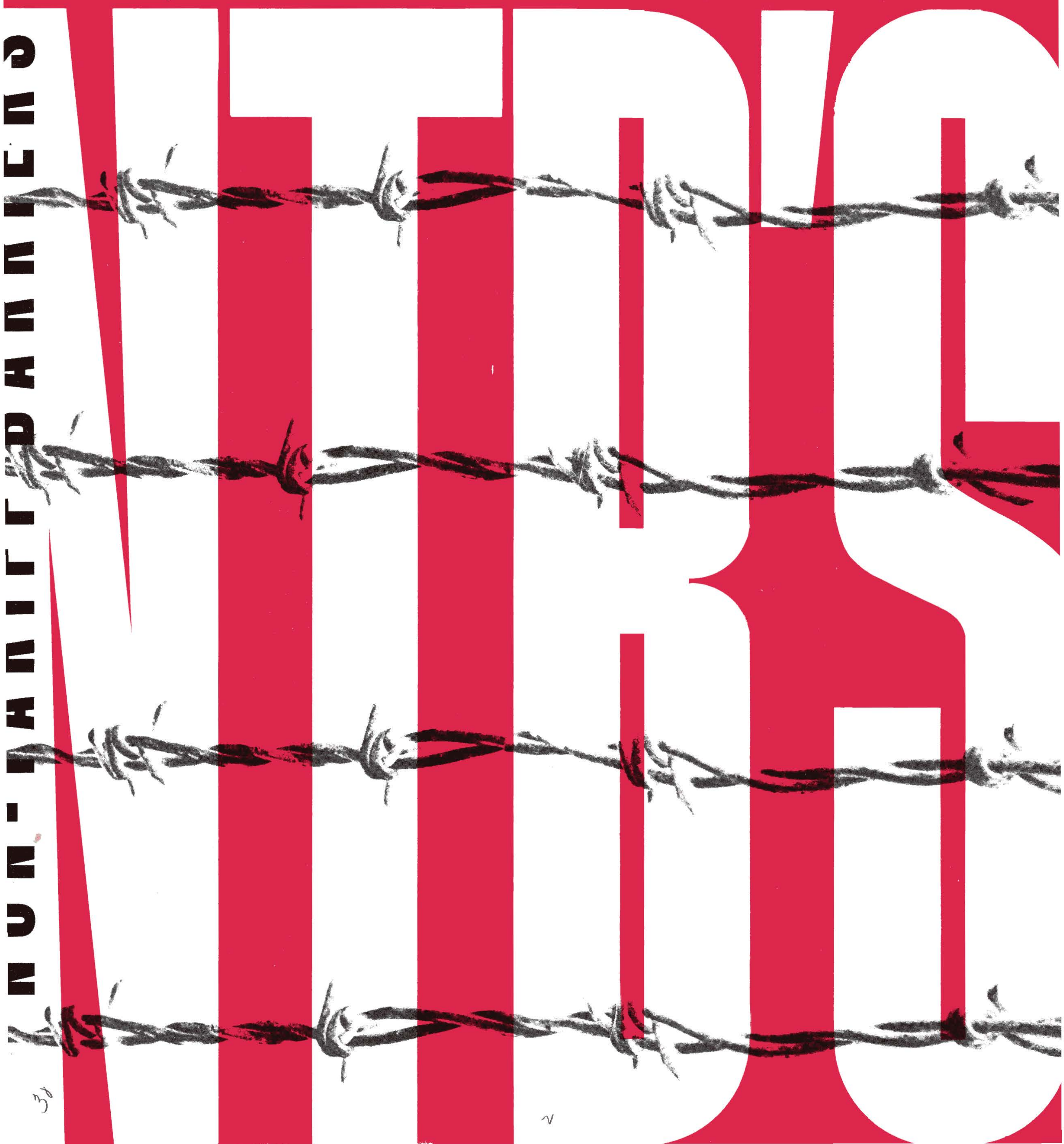

CONTENTS

COVER: Non-tariff barriers will be one of the major trade issues in the Seventies (see page 5).

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The Dutch delegation to the Council meeting on January 19, one of the meetings preparatory to the major decisions made on January 26 and February 7. Left to right: J. H. Lubbers, deputy permanent representative to the Communities; Ambassador D. P. Spierenburg, permanent representative; H. J. de Koster, state secretary at the Ministry of Foreign Affairs; member of the Economics Ministry; Abraham F. K. Hartogh, director general for European integration in the Foreign Ministry.

Spirit of Summit Wins Out

THE "SPIRIT OF THE SUMMIT," while looking wan at mid-January, revived towards the end of the month to help the European Communities Council of Ministers agree on the implementing details for the understanding reached in The Hague.

At its February 5-7 meeting in Brussels, the Council agreed on the formal legal terms of the regulation for financing the common agricultural policy, on giving the Community its "own resources," and on interpretation of the clause strengthening the European Parliament's budgetary powers which was part of the communiqué issued after the December 1-2 summit meeting in The Hague. *(See European Community No. 130, page 5.)* A week earlier, on January 26, the Council approved a draft of an agreement between the Community's central bank governors pledging mutual short-term monetary aid—one of the means leading to economic and monetary union discussed in The Hague.

Agricultural Financing

The European Agricultural Guidance and Guarantee Fund (EAGGF) handles financing of the common agricultural policy. The Guarantee Section of the Fund, which works retroactively, repays member countries for tax refunds they have made on exports and for intervention, or buying-in, payments made to stabilize the domestic market. After January 1, 1971, when the new regulation becomes effective, the Guarantee Section will take over complete financing responsibility from the national governments on a current basis.

The Guidance Section of the Fund helps member countries finance farm modernization and improvements in agricultural distribution. In the past, a decision has been made each year on the amount of money to be allocated for this purpose, around $285 million a year for the past three years. Starting January 1, 1972, this section will receive a maximum allocation of $285 million a year, an amount that can be increased only by a weighted majority vote of the Council, after consulting the European Parliament.

The Commission went on record against setting any ceiling for Guidance Section expenditures, since a decision is pending on the "Mansholt Plan" for reorganizing farm production in the Community. Farm modernization will play a large role in this plan, and costs, still to be determined, will run higher at the beginning of the plan than in later years.

At the February 5-7 meeting, the Council also noted its agreement on an interim regulation to finance the common agricultural policy until the new regulation becomes effective. A regulation providing for triennial estimates of farm financing expenditures, by the Commission, was also agreed on.

"Own Resources" and Parliamentary Powers

Community watchers were especially pleased that, after several inconclusive meetings in January, the Council had at last agreed on the legal wording of its December 22 agreement to provide the Community with its own resources from farm levies, customs duties, and, eventually, revenue from the turnover tax. Only four years earlier, the Community had been brought to a complete standstill for nine months over this issue of autonomous financial resources for the Community and the issue of increasing the budgetary powers of the European Parliament.

By amendments to the three Community Treaties, the Parliament will be formally included in the budget-making process and given limited but real power. In a resolution passed at the February 7 meeting, the Council stated that all budgetary measures were to "be taken on the basis of agreement between the Council and the European Parliament."

Beginning with the 1975 budget, the Commission, in consultation with the Short-term Economic Policy Committee and the Budget Policy Committee, will calculate the rate of increase in the next year's budget of expenses over and above those resulting from Community legislation, based on changes in the gross national product, the member countries' national budgets, and the cost of living. If the Council's draft budget, based on the Commission's preliminary draft, shows an increase of more than half the maximum rate of increase decided, the Parliament may still increase this part of the budget by up to half of the maximum rate. If the Parliament, the Council, or the Commission think this rate should be exceeded, the three, together, may set a new rate. This is the first legal provision for reconciling budgetary differences between the Council, the Parliament, and the Commission.

Should the Council override a budgetary amendment made by the Parliament, the Parliament will be able to override the Council by a vote of three-fifths of its members. While the Parliament has always had the right to propose budgetary amendments, the Council has been able to overrule any amendment by a weighted majority vote, without any obligation to explain its action. A Council member will now have to attend the Parliament's budgetary debate to answer questions from the floor.

$2-Billion Pledge of Aid

On February 9 in Basel, Switzerland, the Community's five central banks (Belgium represents Luxembourg) activated arrangements for making up to $2 billion available as short-term monetary aid to member countries running temporary balance-of-payments deficits.

This plan was first outlined last February 12 in a Commission memorandum to the Council explaining the need for tightening economic policy coordination and providing a flexible, institutionalized form of monetary cooperation. Although the Common Market Treaty makes provision for Community members to give "mutual monetary assistance" to their partners, the procedure proved both complex and clumsy the only time it was used and failed to prevent the application of safeguard measures. *(See European Community No. 115, page 5.)* While the proposed monetary aid will not correct imbalances, the Commission said, it will help a country receiving aid to correct its imbalance without disrupting the flow of trade with the other members. In addition, the short-term arrangements offer member countries an incentive to follow the Community's short- and medium-term economic policies, since the central bankers can refuse to aid a country that has not.

Short-term monetary aid will work in this way: a first, $1-billion *tranche* will be immediately and automatically available upon request. From this first *tranche*, each member's central bank may draw up to the amount of its quota or pledge: Germany and France, $300 million each; Italy, $200 million; and the Netherlands and the Belgium-Luxembourg Economic Union, each $100 million. The borrowing must be repaid in three months, and after using the funds, the borrower must enter into economic consultations with the other member countries.

Borrowing from the second $1-billion *tranche* would not be automatic and would require prior economic consultation and a decision by the central bank governors. However, a country could borrow up to the full $1 billion. The loan from the second *tranche,* repayable in three months (and renewable), can be used either concurrently with the funds from the first $1 billion, or consecutively. France, for example, could first borrow $300 million, pay it back in three months, and borrow $1 billion for another three months; or borrow a full $1.3 billion at one time.

Agent for the agreement is the Bank for International Settlements in Basel, and drawings can be made in any currency. Plans for medium-term aid are still being discussed, but agreement has not yet been reached.

Short-term Policy Coordination

At the Council meeting on January 26, when the ministers approved the short-term monetary aid agreement, they also discussed and accepted the Commission's guidelines for short-term economic development in 1970. For all member countries the Commission recommended a vigorous attack on inflation in the first half of the year. In response to the Commission's recommendation last July, most member countries reduced their public expenditures, but further restraint is needed. Part of the national budgets might be temporarily frozen, the Commission suggested, for use when the economy cooled off. If this proved inadequate, the Commission said, increases in the rates of direct taxes should not be ruled out. Other action proposed included restriction of consumer credit.

Medium-term Policy Coordination

Within the context of the Council's decision last July to establish means of coordinating economic policy, Commission Vice President Raymond Barre reported to the Council on January 26 on the general medium-term (1971-75) outlines of economic policy. The Council had before it a memorandum from the Commission stressing that the currency disturbances of the past year were largely the result of divergent economic trends within the Community and that harmonization of these trends was the only alternative to a constant repetition of these events. The Commission also suggested that medium-term policy harmonization would be more effective if the guidelines were numerically expressed. In other words, ceilings expressed in percentages would be set for the main indicators, such as price increases or unemployment.

At the end of the discussions, the Council agreed to the principle of a joint definition of medium-term indicators and asked the Commission and the Medium-term Economic Policy Committee to draft the third program by fall of 1970. The program is to contain definitive economic guideposts for 1970-75 and an inventory of the main structural reforms to be accomplished at national and Community level.

This Council meeting on January 26 was remarkable both for the import of the decisions made and for the atmosphere that prevailed throughout the meeting. One Community official commented "After all the end-of-the-year marathons they had to attend on agriculture and institutional questions, the ministers of finance and economics seemed glad to be back with their own colleagues, discussing things that interested them."

NTB's: 1970 and Beyond

H. PETER DREYER

WORLD TRADE—ESPECIALLY TRADE between industrial nations—has advanced by leaps and bounds over the past two decades. Many factors have made possible these enormous, continuing gains, but a decisive factor has undoubtedly been the gradual fading out, or curtailment, of national protective measures.

Such dismantling has gone furthest in the field of quantitative restrictions and customs duties, but as these first two lines of protectionism's defense have withered or become less formidable, a third has assumed a correspondingly larger importance—non-tariff barriers. Once the tariff cuts agreed on in the Kennedy Round of negotiations of the General Agreement on Tariffs and Trade (GATT) have been fully implemented, the average incidence of industrial countries' customs duties will not exceed 10 per cent. In many instances, therefore, tariffs no longer represent more than nominal barriers to trade. Nevertheless, goods moving across borders run into a multitude of other obstacles.

GATT Moves in on NTB's

Most non-tariff barriers (NTB's) are not new devices. For many years past, most countries, acting for a variety of motives, have displayed enviable imagination in developing ever new means for making the access of foreign merchandise harder. There is nothing very novel in governments and international groups and agencies turning their thoughts to this topic. Some aspects of NTB's were the subject of discussions and negotiations in the Kennedy Round, for instance, though with only modest results to show for these efforts.

At the same time, if the NTB's are now moving into the limelight of debate, it is not merely due to the lessened significance of the more obvious impediments to trade. Anxious as the GATT must be to remain an active and forward looking organization, it was bound to pick NTB's as one of the most challenging outlets for its activities. The tackling of NTB's has gotten under way, but it is clearly something altogether different from the successive tariff-cutting exercises sponsored by the GATT, of which the Kennedy Round was the latest and most impressive. At this point, it is not even certain how specific negotiations can be arranged, much less whether they could succeed.

It is not only the enormous number of NTB's in operation the world over that makes them such a hard nut to crack but also their extremely diffuse and variegated character. The GATT member countries needed a full year just to list existing NTB's, which still left them far away from assessing their impact.

A Case Study

A useful, though patently incomplete, illustration of obstacles that an important industry might run into was offered a short while ago in the annual report (for 1968) of the German Automobile Industry Association. Among the impediments encountered in principal markets, it listed:

- United States: a 7 per cent supplementary tax on cars imported by tourists, making it more difficult to sell imported vehicles to government and other public agencies
- France: insurance premiums 30 per cent higher on foreign cars; various administrative fees (not charged on domestic cars)
- Austria: customs value supplement, plus a 13 per cent turnover equalization tax; various administrative fees
- Italy: a 3 per cent customs value supplement and a 7.8 per cent turnover equalization tax; delays in processing import transactions; delays of several weeks in registering new foreign cars; less favorable installment credit regulations for imported cars; a recommendation to government and other public agencies not to buy such cars; restrictions on TV advertising for such cars; compulsory registration of imported car dealers' contracts
- United Kingdom: a 5 per cent customs value supplement; generally higher insurance premiums for imported cars; less favorable installment credit terms; the import deposit requirement enacted in 1968 under the program to eliminate the balance-of-payments deficit.
- Finland: import and tax charges topping 100 per cent of c.i.f. value; import limitations by a system of value licenses; discriminatory regulations favoring car imports from East Bloc countries.

This listing, which also included obstacles met with in Japan, Portugal, and Spain, naturally makes no reference to whatever difficulties exporters of automobiles to Germany may be faced with. As far as can be established, there are no grave ones, although some problems have arisen in connection with the classification of imported sports cars.

Nuisance or Dead-End?

Limited as it is to conditions in a single industry, the German Association's report, nevertheless, lends itself to some general comments. It reveals, for instance, that NTB's operate also within the Common Market. It is indeed arguable that there, since the complete elimination of tariff duties in mid-1968, NTB's have constituted a relatively more significant trade obstruction.

Secondly, while some NTB's are identical or at least similar in appearance, there are also considerable differences in the manner and extent to which national governments use this approach. Of course, NTB's trade effects also vary markedly from one country to another. In some instances, they may be little more than a nuisance; in others, they may cause trading to grind to a virtual halt. Conversely, the German automobile manufacturers, who export well over 50 per cent of their output, are themselves proof that the barriers in their path are hardly insurmountable. They do sell in the countries listed above: the United States actually has become their single most important market.

It goes without saying that, while some obstacles are general in nature, others, and quite often the more painful ones, are peculiar to this or that industry. The producer of electric household appliances will encounter difficulties quite dissimilar to those confronting automobile exports; and if he sells heavy electrical equipment as well, he most likely will have yet another set of stumbling blocks to contend with. These, in turn, will probably bear scant relation to the ones foreign trade in pharmaceuticals must contend with.

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The difficulties connected with trade in agricultural produce are in a class all by themselves. In this area, protection by tariff is not of major significance now, and has not been for quite some time. Instead, non-tariff restrictions abound. Trade in virtually all temperate zone foodstuffs and processed foods, for instance, is subject to some kind of NTB. In some cases, NTB's effectively prohibit trade.

Cut and Dried Bargaining Impossible

These comments so far point unmistakably to the complexities involved in dealing with the NTB's. Not even in the relatively "straightforward" tariff negotiations of the Kennedy Round was it always easy to establish a universally acceptable approach, for example in the issue of the "peaks and valleys" in the United States' tariff structure. It will be infinitely harder to arrive at ground rules for the NTB negotiations. There may be some similarity between different kinds of NTB's, but that, by itself, does not mean that one could be canceled out in exchange for another.

In any event, most NTB's lack similarities, since an assortment of motives inspired this or that barrier. Inevitably, the priorities assigned by different countries for eliminating or attenuating individual NTB's also vary. Customs valuation methods or obstructive sanitary regulations may be one country's favorite *bête noire,* while the elimination of NTB's hampering the sale of agricultural produce may be the chief objective of another.

Naturally, under these circumstances, the GATT had to choose a most cautious and deliberate procedure. It is equally evident that, if this approach is ever to yield anything, several more years of slow and methodical work will be required, without any assurance of eventual success at that.

GATT's Year of Fact-Finding

Thus, more than a year has been spent on the operation's initial phase, now just about completed. It has been strictly a fact-finding venture. The process of individual notifications with subsequent confrontation and explanation has produced a grand total of more than eight hundred NTB's which have now been classified in six categories:

- Governmental participation in trade. This type relates not only to the purchasing procedures of states (and other public agencies) but also to problems inherent in the existence of state monopolies and government export subsidies.
- Customs valuation and other administrative procedures affecting importers. This type includes the formalities connected with consular and other customs documents, equalization and anti-dumping levies, and different customs valuation methods, of which the famed (or ill-famed) American-selling-price (ASP) system is a prime example. And, last but not least, there are the difficulties arising from differences in customs nomenclatures; as is generally known, neither the United States nor Canada is a party to the Brussels Customs Nomenclature Convention.
- Norms and standards. In this group belong regulations applied to imports of medical and pharmaceutical products and other industrial goods, safety rules, and regulations affecting measurements, marking, and packaging.
- Quantitative restrictions. This class deals not only with straight or tariff quotas, but also with import and export embargoes, licensing systems, and price and foreign currency controls.
- Price and similar mechanisms affecting foreign trade. Import deposit plans, like the requirement introduced by the United Kingdom in late 1968, are one case in point. Others include customs, harbor, consular, and statistical fees; insurance premiums, and various levies. (The United States puts in this category the Common Market's agricultural levies and border adjustments for indirect taxes.)
- Miscellaneous. Under this catch-all heading would come, for instance, discriminatory freight rate regulations.

The GATT's Next Move

With this inventory drawn up, what will be the GATT's next move? The curtain obviously cannot yet rise on effective negotiations. The next objective, therefore, must be to prepare carefully for that moment, to create the machinery and tools so that, if ever such unprecedented negotiations get off the ground, they would have a reasonable chance of success.

Work in Geneva is now starting on this stage, and the contracting parties may well devise a formal mandate for it at their annual meeting, in February 1970. It would appear to have several implications. In the first place, of course, it is a sorting out process. Which NTB's match, or are readily comparable? The trade effect, large or small, of the NTB's in force may also be investigated.

In parallel lines, the comparison and coordination of the known NTB's could theoretically lead to the point where some could be grouped in either functional or national packages. This procedure would make it easier, once negotiations were under way, to offer concessions against counter-concessions.

But then, the NTB's will probably not be dealt with in a vacuum. Instead, the whole issue will probably have to be correlated with the tariff study on which the GATT Secretariat is also working, specifying the tariff levels that will exist after the Kennedy Round reductions have been fully implemented. Data have already been assembled for the principal trading units, including the United States, the United Kingdom, and the Common Market.

Slow Pace Not Disturbing

Phase two of the GATT exercise, now in progress, will undoubtedly last a long time. If it could be polished off in the course of 1970, it would be quite satisfactory but rather surprising, in the light of the pace managed to date. This all too certain slowness is not in itself disturbing, for the fact remains that one of the major parties involved, the United States, possesses no authority to negotiate. Theoretically, perhaps, the Washington Administration might sit down at the conference table with the expectation that the Congress would subsequently sanction any agreement reached there.

In practice, however, such an approach is open to two objections. In the first place, legislators very likely would consider it an infringement of their constitutional rights and be the more reluctant to approve later any accord attained. Secondly, not only would U.S. delegates negotiate from a posi-

Non-tariff barriers may discourage trade in automobiles, but manufacturers in many nations still find it profitable to exhibit at international shows, such as the Salon d'Automobile in Paris.

tion of distinct weakness in such circumstances but other countries might also refuse to have any talks at all on that basis. They would cite as a warning example their experience with ASP. Today, about 30 months after the completion of the Kennedy Round, congressional action to remove this prime instance of an NTB still seems far off.

As a matter of fact, the ASP controversy, together with some other protectionist strains evident on the American scene, has caused Europeans to question, not unreasonably, how serious and sincere the United States is about removing NTB's. It is the more welcome, therefore, that so important an organization as the Committee for Economic Development, in a statement of policy issued jointly with sister outfits like the Political and Economic Planning (PEP) of the United Kingdom and the Comité européen pour le progrès économique et social (CEPES) of the Common Market, should have unambiguously advocated the elimination through GATT action of what it calls "non-tariff trade distortions."

There will be no quick result, but there is at least one consolation. The current approach to the problem does avoid one of the Kennedy Round's major deficiencies: the Trade Expansion Act, the foundation of the GATT exercise, was strictly speaking a unilateral American move, undertaken without consulting the country's main trade partners. Many Europeans have claimed that, had they been heard while that law was in the making, some of its features would have been different and the subsequent negotiations correspondingly less jarring. It is obviously far too early to say when, or even whether, negotiations proper on NTB's will start. But if and when they do, they will have been amply prepared by all participants.

Regional Policy

COMMISSION URGES INCREASED COORDINATION

JOHN LAMBERT

REGIONAL POLICY in the European Community is the story of a farm worker in Brittany who would like to work a 40-hour week in a factory but has to work a 70-hour week on a farm because the few factories in his area have no openings. It is the story of hopeless employment prospects that drive two sons from a hillside hovel in southern Italy to Belgium for a job in a coal mine, or to construction sites in Milan or Munich. It is the story of a Flemish farmer's daughter learning a semi-skilled job in the newest American chemical factory near Antwerp.

Regional policy is also a matter of the varying national tax incentives that foreign investors carefully balance before making their decisions; or the computerized figures produced by Rotterdam and its surrounding area to show its "favorable trade balance" with the rest of the Netherlands, thus winning authorization for yet more expansion of its booming harbor-side industrial sites. So, any proposals by the Commission to harmonize national regional policies could, when carried out, directly affect the Community's 185 million citizens.

Responsibility Without Power

As conceived in the Six, regional policy is concerned essentially with the economic gaps between regions—where industry settles, and whether industry goes to the worker or whether the worker must uproot himself and go in search of industry. These problems arise in every country of Europe as manpower is slowly but inexorably sucked from the countryside into the industrial centers, and as areas based on traditional industries, like coal mining or textiles, decline and others emerge, elsewhere. Experts realized from the start that these national difficulties would become more acute in the wider area of the Community. As economic barriers were removed, the industrial backbone down the Rhine and Rhone Rivers would attract capital, and inevitably, workers.

Any policy to counteract this trend poses a direct, difficult, and fundamental problem for a group of nations moving toward economic union: although action is needed in specific areas which still fall within the jurisdiction of the national governments, to be effective, it must be decided upon and coordinated in the context of the Community as a whole. It is not the European Comission's fault that the Rome Treaty gave it responsibility for ensuring "harmonious development" of the Community's regions, without empowering it either to plan or to execute a coherent regional policy. Neither is it the Commission's fault that regional policy is an area where every member state has, without exception, been particularly jealous of its sovereign rights. Relations with regional authorities, or the allotment of funds to encourage investment, are traditional instruments of national sovereignty. Had the member states allowed the Community-level machinery of the Commission and the Council to deal directly with local authorities and regional problems, they would have undermined their own autonomy and authority in matters of internal economic policy.

John Lambert is Brussels correspondent for the London Sunday Times *and a member of the editorial board of the European monthly review* Agenor, *published in Brussels.*

It is against this political background that the Commission's latest proposals must be considered. They were sent to the Council of Ministers in October and presented to the press by Hans von der Groeben, the Commission member with special responsibility for regional policy.

Regional Gaps in Living Standards

The Commission document opens by emphasizing that regional policy remains the responsibility of the member countries and that the Commission's own role can and should coordinate and supplement what the states are doing. This modest role is accompanied, however, by an account of the current situation that is little less than an indictment of the way the member states have gone about their business. The Commission points out that the gaps between living standards in the different regions, both within the states and between them, have not narrowed at all in the ten years since the Community's formation.

The specific proposals on which the Commission asks the Council of Ministers to decide, and which reffect the limitations on the Commission's role, are threefold:

- the introduction of an annual review of the situation in regions "for which the establishment, extension, or execution of development plans is particularly urgent." The Commission could recommend formulation of specific development plans, make recommendations to the member states about existing plans to improve coordination, or fit them in with structural policy to improve farming or with industrial policy at Community levels.
- the creation of a permanent committee on regional development composed of representatives of the member states under the chairmanship of the Commission.
- the establishment of an interest-rebate fund for regional development, financed from budgetary contributions and administered by the Commission, and of a guarantee system for regional development, the cost of which would also be divided among the member governments.

Regional Policy to Date

The origin of these proposals goes back to 1960, when the Commission of the European Economic Community called a regional conference which provided the basis in following years for a thorough analysis of the Community's regional development problems. The Commission did recommend to the Council ways of tackling these problems but inevitably ran up against its own lack of mandate to work out an overall regional policy. It set in motion various projects as test cases, including the creation of a growth point around Taranto, in the south of Italy.

The Community's first and second medium-term economic programs both referred to the need to coordinate regional policy throughout the area and emphasized the urgency of preventing the gaps from widening between the most industrialized and the least developed areas. Meanwhile, several Community activities performed under various powers given by the Treaty have impinged on regional development: grants from the European Agricultural Fund for structural improvements in farming; projects financed by the European Investment Bank (some for improvements in the transport system, others for pilot projects for local industry), and Social Fund grants to retrain workers.

Some Flaws in the Proposals

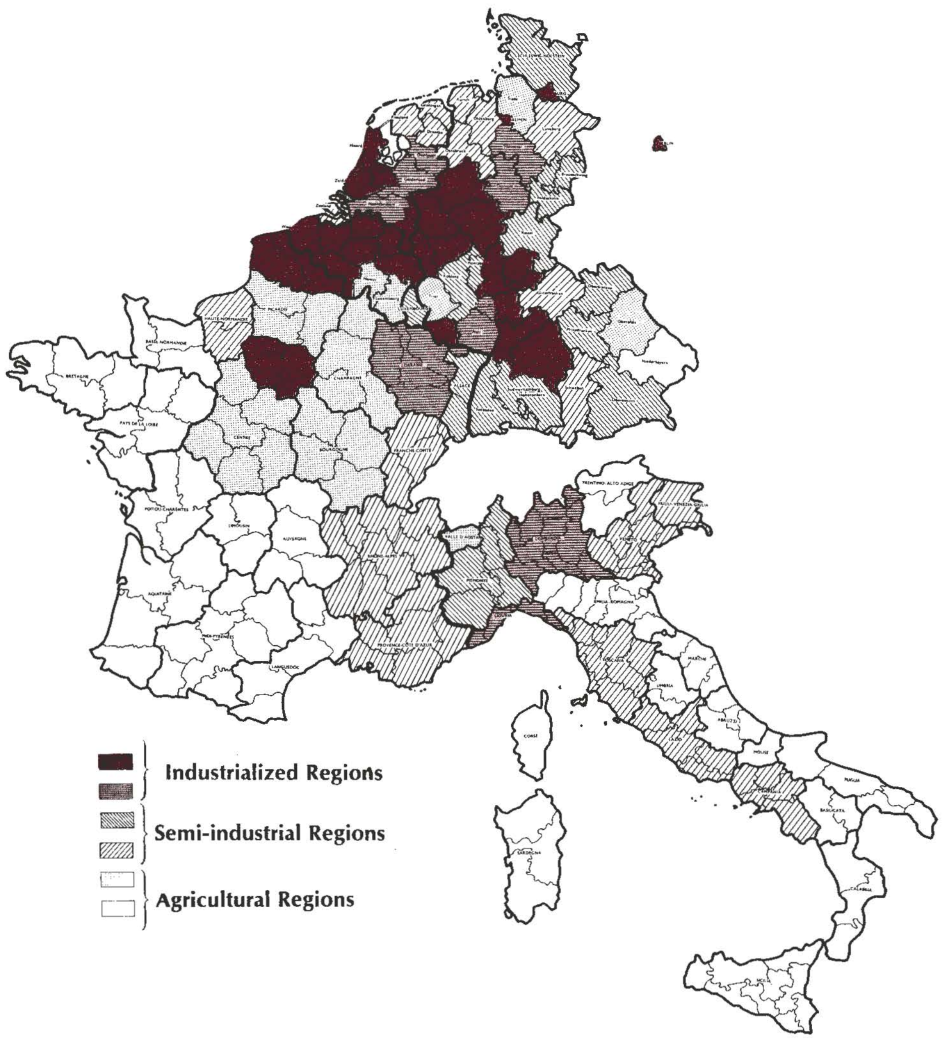
In 1967, following the merger of the executives of the three Communities, a separate department, or directorate-general, was created to deal with regional problems; but judging from the Commision's report, this does not seem to have led to an overall, Community approach to regional development. The emphasis remains firmly on certain regions: those with predominantly agricultural populations, those dependent on industries in decline, and frontier areas where interstate coordination is most needed. The proposals now put forward do not cover the implications for regional development of the Mansholt plan for modernizing farm structures, with its ten-year program, or the proposals on industrial policy which the Commission is expected to produce soon. As work in these wo fields progresses, there will be an increased need for oordination.

The limitations on Community action also explain the omision of any reference to contacts between the Community uthorities and those directly involved in the regions. The proosed permanent committee would be composed solely of ational representatives, with no formal provision for the resence either of regional administrators or of any link with lected regional bodies. The Commission does indeed insist on he need to ensure that the populations of the regions "share 1" their development, but their concern is with a share in conomic benefits not with a share in deciding. Again the Commission runs up against the political limitations of its sitution: regional democracy is strictly a matter for the national overnments.

The scope of the practical steps suggested in the new Comission paper is difficult to estimate. The argument is that a elatively small sum spent on interest rebates could influence large volume of investment: $1 million a year initially would suffice to attract $100 million-worth of investment. Unfortunately, the Commission at this stage gives too little information about the context in which this device would operate or about its relationship to the big efforts, in terms of tax rebates and interest rates, which the member states already make in competing for investment projects.

A note accompanying the Commission's proposals puts the problem of regional development well in context, showing the vast changes that are, in any case, taking place throughout the Community. The working population in farming, 20 per cent of the total in 1958 and 15 per cent today, is likely to fall by half by 1980. The total population of the Community area will reach 200 million by 1980. Major changes will be taking place in the location of industry, with a resulting increase in mobility. These figures show the vast and complex task of ensuring that "harmonious development" to which the Six originally committed themselves. The current proposals, should the Council of Ministers accept them, would be a small, but essential, first step towards facing that task.

THE COMMUNITY'S REGIONS
Density of Industrial and Agricultural Populations



[he regional units shown on this map are French and Italian lanning regions, German Laender, and Belgian and Netherands provinces.

	Farm Workers in Labor Force	*Inhabitants/ 2.6 Square Miles*	*Percentage of Community* Area	*Percentage of Community* Population
ndustrialized	0-10%	over 250	9	30
	10-20%	over 200	7	11
Semi-industrialized	0-15%	over 150	9	12.5
	over 15%	under 150	21	19
Agricultural	20-30%	under 100	12	6
	over 30%	under 100	42	21.5

A Eurocrat's "Identity"

ALBERT COPPE

IN 17 YEARS, THE EUROPEAN COMMUNITY'S civil service has become the largest non-national civil service in Europe and the nucleus of a European federal civil service. It came into being when the first European Community, for coal and steel, was founded in 1952.

The Commission employs 4,718 officials and another 2,097 research workers in the European Atomic Energy Community's (Euratom) Joint Research Center. The European Parliament has 514 officials, the Court of Justice 110, and the Council of Ministers 554, making a total of 7,993 Community civil servants in all. (By comparison, the Organization for Economic Cooperation and Development (OECD) has 1,396; the International Labor Organization (ILO) 1,384; the North Atlantic Treaty Organization (NATO) 1,070, and the Council of Europe, 570 officials. However, in comparison with the national ministries—which in the larger Community countries employ between 30,000 and 40,000 persons—the Community appears heavily understaffed.

With their families, the "Eurocrats" form a population of more than 15,000 persons in Brussels and nearly 5,000 in Luxembourg.

Recruitment

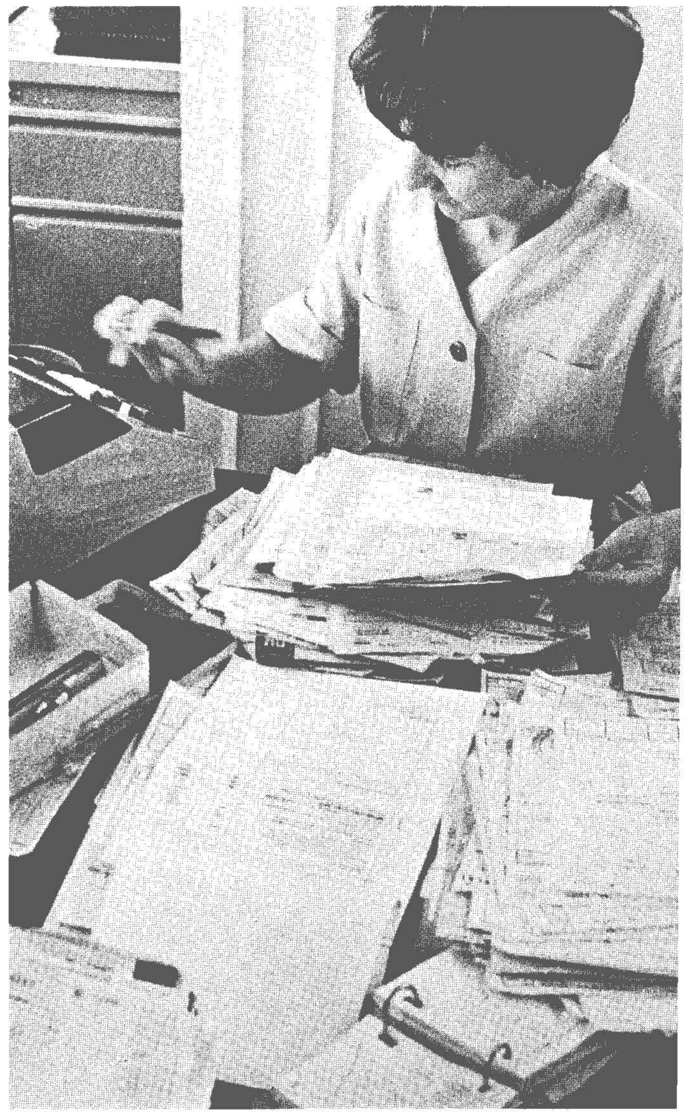
For the higher posts in the European Coal and Steel Community (ECSC), we started by recruiting officials who had participated in the Schuman plan negotiations. Later, we recruited men and women who had experience in either national public services or the private sector. The private sector's contribution, particularly to the ECSC and Euratom, has been very important, since they gave our administration a less bureaucratic style than is usually found in ministries in Europe.

Now, through competitive examinations, we recruit mainly young people at the beginning of their careers who usually plan to make a career of the Community. We demand a high level of education, comparable with the best in the member countries of the Community, and fluency in two of the Community's four official languages (Dutch, French, German, Italian). Our officials often have at least a passive knowledge of a third, or even a fourth language.

To avoid discrimination, we put all four official languages on the same footing; a working knowledge of any two is sufficient, but in practice the second language is usually French or German—French for Italians and Belgians, and German or French for the Dutch. We have never had any candidates who knew only Italian and Dutch, neither of which are our usual working languages.

Attractions of a Community Job

So much for our requirements. We can offer a candidate a pleasant working environment, the challenge of participating in the construction of "Europe," and a system of remuneration higher than the national administrations' and competitive with the private sector, at least for medium- and lower-grade officials. A high level of remuneration is essential if we are to get people to move to a country where the languages, climate, and



Many jokes are told about Eurocrats and their paperwork. Nevertheless, because of the large number of employees recruited from the private sector, the Brussels administration is less bureaucratic than most national administrations in Europe.

living conditions are often different from those in their homeland.

As far as the applicant's nationality is concerned, we try to recruit the best candidates. However, by and large, we are careful to observe certain proportions among the personnel as a whole.

The need to be bilingual and the attraction of a united Europe for those who have suffered most from its divisions have meant that, apart from the capitals and larger towns, the Community's frontier regions supply the greatest number of applicants (Lombardy and Piedmont in Italy, Alsace-Lorraine and the Nord in France).

Out of about 2,000 grade A (administrative) officials in Brussels, around 500 belong to our translation and interpreting divisions. All documents are published in the four languages and some of them are also published in English. Should anyone object that nothing great can be achieved by a quadrilingua

Mr. Coppé, a member of the European Communities Commission, has been a "Eurocrat" since the formation of the Coal and Steel Community in 1952.

Community, I would answer that the Battle of Waterloo was won by armed forces commanded in four languages.

In the early days, our employees had temporary contracts with the Community, replaced later on by a statute of service comparable to the national civil servants' statutes, assuring their careers until retirement, social benefits, and bodies to represent their views to the administration. This statute was essential for us to compete with national civil services in obtaining staff.

Refresher Training

As practically all our officials' careers began fairly recently, the problem of retraining them has not yet arisen. The Commission recently decided to launch a vast program of refresher training at all levels. After two years' service, the officials will be put through a common mill to harmonize their knowledge. Mid-way in their careers they will take a full-time training course. By the time they reach the age of 40 they will be able to drop everything else and devote several months to retraining. This program will include measures to improve officials' knowledge and skills and, consequently, their position in the organization.

Many European officials are recruited from national administrations in the member countries, often from among the most highly qualified bodies there. (We, for example, are proud to have among us 20 graduates of the famous French School of Administration.) After a few years' assignment to the Community, officials from Belgium, the Netherlands, and Luxembourg are asked by their national administrations to choose between a national and a European career. German and French Eurocrats, on the other hand, continue to receive their normal administrative promotions in their home countries and can go back to work for their governments at any time. While this open-ended employment arrangement may seem to pose a problem of divided loyalty, German and French Community officials have always performed their duties with complete objectivity.

Housing Problems

Half of the Community's officials, many of them secretaries, are unmarried. Most of the married officials have small families, less than a quarter of them with more than two children, and only three with more than seven.

For single people, amusements in Brussels and Luxembourg are not yet international enough, but this situation is rapidly changing. For married officials, problems center more on housing; but, so far, the real estate markets in Brussels and Luxembourg have been able to satisfy demand (a rare thing in Europe) at prices that can still be considered reasonable.

As more and more officials began wanting to settle down for a longer term, we worked out a system of housing loans at reduced rates, guaranteed by our officials' pension fund. In the three years since this system has been working, about a quarter (228) of the officials qualified for such loans have taken them.

In both private and professional life, our officials retain close ties with their native countries, but they are at home in Europe. In no case can they be accused of forming "diplomatic ghettos" such as exist in some capitals. These European officials are forerunners. Since their work has effects beyond the national context, officials must operate in several languages and consider events from a supranational point of view. Prejudices die, horizons widen, contracts are deepened. In the course of time there will emerge men who will live their professional and personal lives in a Continental rather than a national context.

Eurocrats take their language skills for granted, switching easily from their primary working language to their second or third as the occasion requires, an ease that comes in handy at luncheon in any of the Community's cafeterias.

COMMUNITY NEWS

CHANGES RECOMMENDED IN STATE MONOPOLIES

Matches, salt, cigarette papers, and explosives have one thing in common: at some point in the chain of production or distribution, control by a member government limits trade within the European Community.

According to Article 37 of the Common Market Treaty, any necessary changes to prevent state monopolies from interfering with trade between Community members should have been made by December 31, 1969, at the end of the transition period. However, since progress in this field was behind schedule, the Commission, on November 25 and December 23, recommended changes in monopoly enterprises (and not abolishment) in three Community countries—France, Italy, and Germany—in order to eliminate discrimination against other member states. In most cases, the Commission asked the monopolies to give up their rights of exclusive importation.

In the area of state monopolies, the Commission can only make recommendations. The member states remain free to employ different measures from the ones recommended by the Commission, as long as they result in the elimination of all discrimination against imported products.

The Monopolies Involved

To the French Government, the Commission recommended that its state oil importing monopoly grant free access to the French market for oil from other Community members. Under the current French system, quotas are set on oil imports from the rest of the Community and import licenses are required.

On the French and Italian tobacco monopolies the Commission made no new proposals. The Six are now trying to agree on an overall common policy for tobacco, including fiscal and agricultural aspects.

For the other state monopoly industries, the Commission made detailed recommendations. The products are alcohol (France and Germany), matches (France and Italy), Thomas slag (France), cigarette paper (Italy), cigarette lighter flints (Italy), salt (Italy), and gunpowder and explosives used for non-military purposes (France).

Germany also has a match monopoly, but does not have to alter it, as it forms part of a bilateral agreement with Sweden. (The Common Market Treaty says that the reorganization of monopolies must conform with existing international agreements.)

Both France and Germany were asked to allow the free importation of alcohol of non-agricultural origin. The Commission is anxious not to harm the interests of French and German farmers whose products are used to make alcohol. It said that final reorganization of these monopolies will not be possible until the Community has established a common policy for alcohol of agricultural origin.

France has announced that it is looking into the problem of imported military explosives which are used for civil purposes. Here, the Commission is recommending the abolition of import restrictions. Italy has told the Commission that it is studying the possibility of abolishing its monopolies on salt and cigarette paper.

REY FORECASTS SINGLE EC CURRENCY BY 1980

By 1980 Britain will be a member of a European Community that has a single currency and its own parliament directly elected by universal suffrage.

This forecast was made by Commission President Jean Rey, in an interview published by *Le Figaro* on December 26. Mr. Rey said that the priority tasks before the Community were the creation of an economic and monetary union and the admission of the four applicant countries.

The need for closer economic harmonization had been amply demonstrated by the recent French franc and German mark parity changes, and the heads of governments had endorsed this at The Hague summit meeting. On enlargement, Mr. Rey said that negotiations could begin by about the middle of 1970.

PROCESSORS TO IMPORT 100,000 TONS OF BEEF

Processors in the European Community will have to import 100,000 metric tons of beef this year, according to the Commission's annual forecast.

The Community will have a domestic beef supply of 480,000 tons, 34,000 more than last year, as a result of the slaughter premiums offered by the Commission to reduce milk production. In addition, the Community will be able to draw on 4,800 tons of frozen beef in its stockpile and 5,100 tons of beef imported under a quota arranged within the General Agreement on Tariffs and Trade.

All told, the Community can count on 490,900 tons of beef this year, but it will need 590,000 tons. The remaining estimated 100,000 tons of beef, needed mainly for processing, will be imported.

DRAFT PATENT CONVENTION ADOPTED IN LUXEMBOURG

The inter-governmental conference for a European patents system has adopted the preliminary draft convention on conditions and procedure for granting patents valid throughout Europe.

The text of the draft, approved in Luxembourg on January 16, will now be published to give international nongovernmental organizations a chance to express their views. These organizations will be invited to attend the next conference meeting, in Luxembourg at the end of April. Participating in the conference are the European Community's six member governments (Belgium, France, Germany, Italy, Luxembourg, the Netherlands) and Austria, Denmark, Ireland, Norway, Sweden, Switzerland, and the U.K.

Facilitating International Marketing

Work on a European patents convention started shortly after the formation of the Common Market, when it became apparent that differences in its six members' laws and procedures for granting patents could, by causing confusion, restrict trade between them. A special committee on patents published the first draft convention on European patent law in 1962. (*See European Community No. 122, page 4.*) It provided for a complete law of patents giving inventions uniform protection within the six Community members' territory by means of a single application and single issuance procedure.

The Council's initial examination of this draft lasted until July 1965; although the member governments continued to express strong interest in simplifying the legal maze connected with patents, no further work was done on the draft. Finally, in November 1968, the French Government suggested resuming work on the European patents system and putting it on a wider territorial setting. On March 3, 1969, invitations were extended to seven non-Community countries to participate in the conference.

The new system will consist of two conventions. One, concluded by a number of European countries, will establish the rules of law and procedure for granting patents by a European Patents Office. This is the draft convention just approved by the intergovernmental conference.

The other convention will prescribe the uniform legal system applicable to patents in the territory of the Six. Since this convention will take into account the existing ties between the Six and remove the barriers resulting from territorial protection of patents, it will be open only to Community members.

EURATOM DRAFT BUDGET ƐENT TO PARLIAMENT

Γhe European Atomic Energy Community (Euratom) research and training program 'or 1970 was formally adopted by the Council of Ministers at its January 19-20 neeting in Brussels. The Council also agreed ıpon Euratom's 1970 budget appropriation ›f $55,279,880 which, before passage, goes o the European Parliament for an opinion.

The 1970 program and budget are essenially the same as in 1969, since the Council ›f Ministers, on December 6, decided to exend the 1969 program pending a decision on he complete reorganization of the Comnunity's research. (*See European Commun-ty No. 130, page 24.*) Changes from last 'ear's budget are the result of increases in esearchers' salaries, changes in other costs, he new German and French parities, and nternal reorganization, such as shifting a ›rogram from one agency to another.

'he Draft Budget Appropriation

Γhe draft budget provides for expenditures ›f $55,279,880, compared with $48.9 million n 1969. It covers:

- $26,389,100 for Euratom's joint program n which all member countries participate. Γhis figure includes Euratom's contribution o the European Nuclear Energy Agency's Dragon Project.
- $25,716,400 for the complementary re-earch projects financed by the Euratom ountries interested in them.
- $3,074,300 to pay the salaries of re-earchers who, although not needed this ear, will be retained pending Euratom's re-rganization.
- $100,000 in additional financing for pre-iously approved research programs.

EURATOM PUBLISHES ITS TEN THOUSANDTH STUDY

The ten thousandth scientific and technical document published by the European Atomic Energy Community (Euratom) came off the press early in February.

The document, *"Analyse quantitative des roches par la méthode de fluorescence X,"* makes available to all interested the results of Euratom's research, as required by the Euratom Treaty. Euratom's Directorate General for Dissemination of Information handles this job, usually publishing reports in the language in which they are written and, in abstract form, in English.

Publications, now limited to the nuclear field, are announced regularly in "Euro-Abstracts" (formerly "Euratom Information"), a monthly bibliographical journal. The Directorate General is, however, considering extending its activities into fields covered by the Common Market and Coal and Steel Community Treaties, such as metallurgy, coal, agriculture, and medicine.

GUIDELINES WRITTEN FOR TRANSPORT SUBSIDIES

Criteria for deciding which state subsidies to investments in rail, road, and inland waterway transport are permitted by the Common Market Treaty were approved by the Council of Ministers on January 26-27.

The regulation will not, however, be formally adopted for six months, in order to give Germany and the Netherlands time to settle their differences over rail transport rates for container cargo. The Netherlands is concerned about the German railroad's plans to eliminate cut-rate freight charges for container traffic between Germany and the Netherlands but not for German traffic to the ports of Bremen and Hamburg.

A further point of contention is the German Government's plan for a $250 million railroad subsidy, to be paid over four years, towards the costs of improving handling of road-to-rail and rail-to-road container traffic. Last May the Commission approved this subsidy but retained the option of reviewing its decision after the Community had agreed upon final criteria for state intervention in transport. (*See European Community No. 124, page 27.*) Bonn maintains that this project will reduce road congestion and cut the railroad's losses, but some of its partners fear that it could distort competition in transport.

The compromise regulation allows member governments to grant subsidies

- to coordinate transport
- to promote research and development in transport forms and techniques that would be more economical than those now used.

Trucking Monitors

The Council also discussed a proposal made by the Commission last May to require all cargo vehicles to have installed by December 31, 1976, "recording tachometers," a device that keeps track of driving time, rest periods, speed, and distances traveled. The Council agreed to make a decision on this proposal by June 30, 1970, but indicated that it would postpone the compliance date to January 1, 1978.

'TEEL PRODUCTION UP

.aw steel production in the Community rose y 8.8 per cent to 107.32 billion metric tons ı 1969, according to figures issued by the ommunity's statistical office. Germany ıowed a production increase of 10.1 per ɛnt; France 10.3 per cent; the Netherlands 7.2 per cent; Belgium 10.9 per cent, and uxembourg 14.2 per cent. Italy's produc-on dropped by 3.2 per cent.

IEW FORM UNTIES RED TAPE

nce January 1, about 80 per cent of trade ɛtween the Six has been free from customs spections at national frontiers. Officials ›w inspect merchandise and documents ıly at the points of departure and arrival; ıd a new, simpler Community transit docu-ent has replaced the previous long forms.

FINET AWARDS MADE TO 277 ECSC ORPHANS

The Paul Finet Foundation awarded 277 scholarships on January 28 to orphans of miners and steelworkers who died as a result of a work accident or occupational illness. Since the Foundation's creation in 1965, it has made 809 grants, totaling $119,929.

Contributions from the budget of the European Communities Commission and from private sources pay for these awards. To be eligible for assistance, a student must live in a Community member country, be at least 14 years old, and excel in school studies. The student or his legal guardian may apply for a scholarship or he may be suggested for consideration by his father's former employer.

EIB LOAN TO TURKEY

The European Investment Bank is making a loan of $9,924,000 to the Turkish Government for the construction of a synthetic rubber plant at Yarimca, near Izmir.

The loan will be for 30 years at 4.5 per cent, with a period of seven years during which no repayments will be made. The new plant will be part of a petrochemical complex mentioned in Turkey's current development plan.

EIB RAISES INTEREST RATES BY .5 PER CENT

The European Investment Bank has increased its interest rates for long-term loans by 0.5 per cent. The rate on loans for up to 12 years will be 7.5 per cent, loans of 12 to 20 years, 8 per cent.

EEC HOLDING TRADE TALKS WITH 10 COUNTRIES

The European Economic Community is, or will be, holding exploratory talks and negotiations, which could lead to new trading agreements, with 10 non-member countries.

According to the rules of the General Agreement on Tariffs and Trade (GATT), preferential agreements can be signed only if they lead to free trade or a customs union "in a reasonable period of time." The countries are:

Israel: Negotiations, concluded Feb. 13, involve a preferential trade agreement. During the first stage of five years, the Community would make tariff cuts of about 45 per cent. Israel has expressed the hope that this agreement will be the first step towards full association with the Community.

Spain: Negotiations resumed on January 26. During a first stage of at least six years, the Community would make tariff cuts of 60 per cent on Spanish industrial goods. No details of the second stage of the agreement have been defined, although Spain has asked for full membership in the Community.

Yugoslavia: The last round of negotiations for a non-preferential agreement were held at the end of January. Yugoslavia has expressed particular interest in securing market guarantees for its beef exports.

Lebanon: Exploratory talks for a preferential agreement started on January 22.

Argentina: Exploratory talks were scheduled for the end of January. Argentina has asked for a preferential agreement.

Austria: The Commission will report to the Council of Ministers in February on contacts it has had with the Austrians to resume the negotiations that broke off in 1967. Austria originally asked for an association agreement but may now ask for a preferential trading agreement until the question of the Community's enlargement is settled.

United Arab Republic: The Commission will soon report to the Council on exploratory talks it has had with the UAR, which has asked for a preferential agreement.

Turkey: The Community's Association Council with Turkey meets in February or March to settle the question of changeover from the "preparatory stage" of the Turkish association agreement to its "transitional stage."

Malta: Talks are expected to resume soon for an association agreement. The permanent representatives of the Six in Brussels have asked the Commission to draft a negotiating mandate for talks, which have been in abeyance since October 1968.

Japan: Jean-François Deniau, commission member responsible for external trade, goes to Tokyo in February for exploratory talks for a trade agreement.

UK TO COLLABORATE ON GAS CENTRIFUGE

Britain's Minister of Technology, Anthony Wedgwood Benn, told the House of Commons on December 19 that the United Kingdom, Germany, and the Netherlands had approved an agreement to work together on the gas centrifuge process of enriching uranium. The agreement will be signed after approval by the European Community Commission as required by the Rome Treaty creating the European Atomic Energy Community

"All three countries have been developing the process for a number of years," the Minister said. "We are confident it offers the most economically attractive means of providing the capability which Western Europe needs to meet the rapidly growing demand for enriched uranium for nuclear power stations. . . . We have already stated our readiness to collaborate with other countries interested in the process, both within Europe and elsewhere, and have had informal talks with two of them [Italy and Belgium]. But our first objective has been to get industrial collaboration going on a tripartite basis."

Mr. Wedgwood Benn said two joint industrial enterprises will be established: a enrichment organization with headquarters i the United Kingdom to own and operate en richment plants, and a prime contractor, wit headquarters in Germany, to design an build them. The project would initially pro vide a total separative work capacity of 35 metric tons a year in a British and a Dutc enrichment plant.

Safeguards, security, and agreements wit other countries or international bodies wi be handled by an inter-governmental join committee. Mr. Wedgwood Benn added tha the prospect will be "entirely consistent wit the three Governments' responsibilities fo the non-proliferation of nuclear weapons, and that they considered it "a major contr bution to this cause, and to the peaceful use of atomic energy." He said safeguards wil include Euratom procedures and any othe obligations arising from agreements with th International Atomic Energy Agency i Vienna. "The Governments will continu to protect the security of the technolog involved," he added.

SYNCHRONIZATION PLANNED IN ENERGY INVESTMENTS

The members of the European Community will synchronize their plans for investments in petroleum, natural gas, and electricity after the Council of Ministers enacts two regulations that were approved by the Commission on December 17, 1969.

These draft regulations, to assure investments in the kinds of energy needed, would put into effect the first stage of the Commission's blueprint for a common energy policy that was submitted to the Council of Ministers on December 18, 1968. (*See European Community No. 119, page 16.*) The coal industry already notifies the Commission of its projected investments, as required by the Paris Treaty creating the European Coal and Steel Community. On December 6, 1969, the Council of Ministers decided to coordinate the member countries' nuclear energy projects.

Petroleum, Natural Gas, Electricity

According to the new proposals for petroleum, natural gas, and electricity:

- Member countries should meet once a year to compare and discuss their production plans.
- Recommendations should be made in cases of over- or under-investment in some sectors.
- The Community should plan a means of recourse should its recommendations b rejected.

For petroleum, member countries woul report on their refining capacity, pipeline and transport expansion, the extension c port installations, including offshore di charging points for super-tankers, an distribution outlets. They would also mak annual reports on their petroleum imports s that long-term supply could be gauged.

On natural gas, the Community author ties would require details of undergroun reserves and pipeline networks. For ele tricity, the Six would disclose informatio on transmission lines, particularly whe these crossed national frontiers.

COMMUNITY TO SEND NIGERIA SOME PROCESSED FOOD THROUGH RED CROS

The European Communities Council of Mi isters has agreed to substitute processed foc for some of the grain and skim milk decided last May to send Nigeria through th International Red Cross. The Council al agreed to refund the costs of processing ar transporting this aid.

This change was approved by the Counc at its January 19-20 meeting in Brussels, response to the Nigerian Government's pre erence for more readily edible food: a gru for children and a "complete food" soup f adults.

FOUNDATION FOR EUROPEAN YOUTH

Representatives of 13 European countries and the Vatican have decided to create a foundation to instill in young Europeans a feeling of personal responsibility for the peace and unity of Europe.

This decision was made at a conference in Bonn on January 8-9. Participants at the conference were Britain, France, Italy, Germany, Austria, Belgium, the Netherlands, Luxembourg, Spain, Turkey, Denmark, Norway, Sweden, and the Vatican. The European Community and the Council of Europe were also represented.

The European Youth Foundation will probably be based in Strasbourg, seat of the Council of Europe, where a youth center is under construction. The foundation plans to promote "the European idea" partly through intensive youth exchange programs. An executive committee consisting of representatives of sponsors and youth organizations will run the foundation. A working party is studying financing of the organization and other details.

FILM RETAIL PRICE MAINTENANCE ENDED

Three major photographic companies—Kodak, Agfa-Gevaert, and Zeiss Ikon-Voigtlaender—have agreed to stop setting retail prices for films and other products, following an investigation by the European Communities Commission.

A German discount firm, Ratio, had been re-importing Agfa color film into Germany from Belgium and selling it below the price set by Agfa. In 1968 Agfa tried to stop supplying the Belgian firm, on the grounds that Ratio was violating Germany's retail price maintenance laws, which require retailers to sell at the price set by the manufacturer. Ratio appealed to the Commission, invoking the Common Market Treaty ban on direct or indirect price fixing.

Arguing that national provisions were not sufficient grounds for a company to ignore the Community rules, the Commission upheld Ratio. Agfa agreed to abolish the practice, and the other two firms followed its lead.

COMMUNITY LABOR COSTS STILL VARY WIDELY

Industrial labor costs still vary widely in different parts of the European Community, according to the latest survey of wages and salaries in industry, covering 1966.

On average, there was little difference in the total costs of wages and salaries per man-hour in four member countries: Germany ($1.76), Belgium ($1.72), the Netherlands ($1.70), and France ($1.68). In Italy the average was lower ($1.46) and in Luxembourg, higher ($1.94). However, in different parts of each member country, industry's costs of wages and salaries per man-hour varied widely: in Germany, from $1.30 to $2.48; in France, from $1.04 to $3.10; in Italy, from $0.96 to $2.48; in the Netherlands, from $1.06 to $2.94; in Belgium, from $1.08 to $3.48; and in Luxembourg, from $0.92 to $3.02.

In general, industries with the heaviest wage and salary bills seemed to employ little or no female labor. Within an industry, labor costs varied considerably with the size of the firm: the bigger the company, the higher its average costs.

The ratio between labor costs for manual and for white-collar workers differed from one country to another. One hour of a clerical employee's time cost as much as 1.9 hours of a manual worker's time in France and Italy, 1.7 in Belgium and Luxembourg, 1.6 in the Netherlands and 1.4 in Germany. Averaged over the year, manual workers appeared to work the longest hours in France, then Luxembourg, the Netherlands, Belgium, Italy, and Germany, in that order. In Germany the annual number of hours worked was some 10 per cent lower than in France: hourly unit costs were some 20 per cent higher.

FREE TRADE IN WINE

Free trade in wine throughout the European Community will soon be a fact, following the Council's agreement on February 3 on the common market organization for wine.

The agreement defines the products covered, removes obstacles to intra-Community trade, and sets rules for alcohol content, labeling, naming, control of wines, and enrichment. It prohibits the use of imported grapes for wine-making. Other points of the agreement cover rules for planting vines and customs treatment of wines imported from non-member countries. Rules for wines imported from the Community's associated countries and Algeria will be defined later.

Wines imported from a non-member country will be subject to the common customs tariff and a countervailing charge which may be completely or partially waived for quality wines. Import licenses, replacing quotas, will be granted to make up the difference between supply and demand.

YOUTH MOVEMENTS TO MEET WITH COMMISSION ON STUDENT PROBLEMS

The European Communities Commission plans to hold a symposium with Europe's major youth movement on June 12-14.

In a policy statement on July 1, 1969, (when the customs union was completed) the Commission said: "The major economic, social, and intellectual forces of Europe must be persuaded to take part more fully in the construction of the European Continent. . . . The major social groups in the Community must be called upon more urgently to help immediately."

The Commission proposed to convene three symposia in which representatives of the main European social organizations would take part: employers' associations, labor and agricultural unions, and youth organizations.

Possible items on the agenda of the youth symposium include an overall examination of the European situation and a dialogue on detailed short- and medium-term action programs. Special attention will be given to student problems, such as university teaching, training of young people, and university exchanges, and to means of encouraging young people to become militants for European integration.

SCHUMANN SAYS FRANCE WANTS BRITAIN IN EUROPEAN COMMUNITY

French Foreign Minister Maurice Schumann, speaking in London on January 22, gave an assurance that "we shall avoid any delay in beginning the talks" on Britain's application to join the Community.

Mr. Schumann, who was addressing the Franco-British Society, stated that the Community formed an indivisible whole. The Six had attempted to progress simultaneously in the field of the agricultural and industrial customs union, and in the field of the economic union. Maintaining this equilibrium was not incompatible with "the adjustments to which the Treaty itself refers," he said. "The decisions we took at The Hague mean that we believe it to be not only advisable but feasible to admit new applicants—and Britain foremost—without hampering the functioning of the system."

"The problem is no longer whether we wish Britain in. We do," Mr. Schumann added. "The problem is to decide what we wish her to enter and what she, herself, wishes to enter."

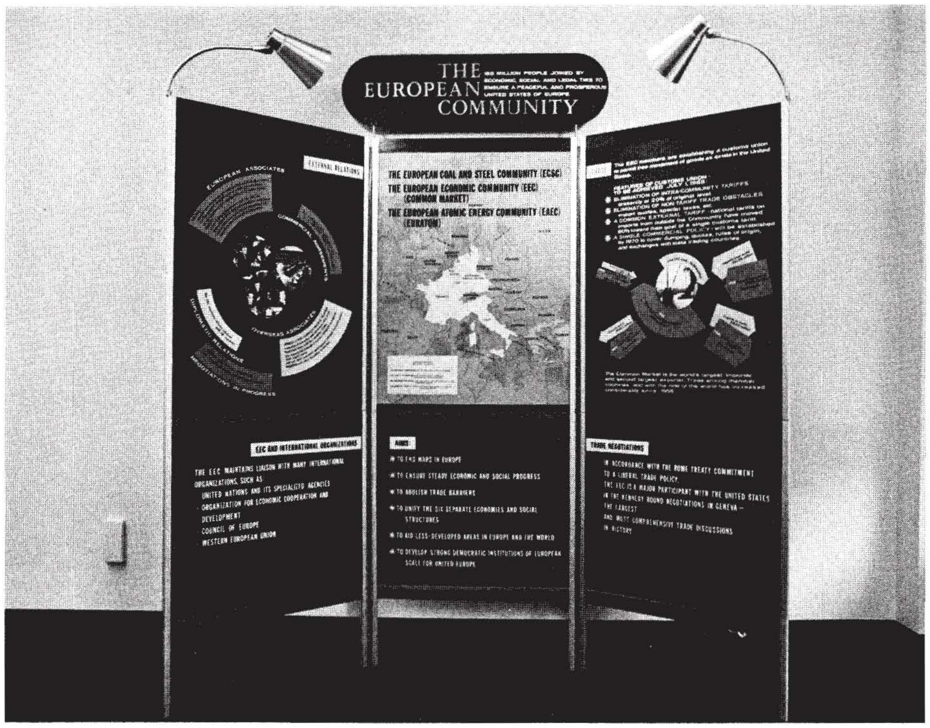
PUBLICATIONS AVAILABLE

OPINION SUBMITTED TO THE COUNCIL CONCERNING THE APPLICATIONS FOR MEMBERSHIP FROM THE UNITED KINGDOM, IRELAND, DENMARK, AND NORWAY (OCTOBER 1, 1969). *Supplement to Bulletin of the European Communities*, No. 9/10-1969. Commission of the European Communities, Brussels, October 1969, 99 pages .... $.30

Up-dates the Commission's opinions of September 1967 and April 1968 concerning the membership applications. It discusses the economic and institutional problems of enlarging the Community and states that negotiations should be opened as soon as possible. Special attention is given to the problems of customs union, industrial development, research and technology, agriculture, energy and the enlarged Community's relations with non-members.

RESTRICTIVE AGREEMENTS AND DOMINANT POSITIONS. *Information Memo* P-50/69, Commission of the European Communities, Brussels, October 1969, 19 pages .... free

List of measures for the implementation of Articles 85 and 86 of the Treaty establishing the European Economic Community. These articles govern antitrust policy. This, the fifth revision of the list, makes it current to October 1, 1969.



RESERVE NOW FOR JUNE, JULY, AND AUGUST

The European Community Information Service will lend schools, libraries, civic associa tions, and other interested organizations this exhibit on the Community, free of charge; bu reservations should be made early. Panels show different aspects of Community affairs external relations, trade, nuclear energy, and the Community's association with Africa Standing, the display measures 28 inches deep by 70 inches wide. It is 7 feet 4 inches high including the headboard and lights. Panels, lights, and frame fit into a wooden crate espe cially built for safe shipment.

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