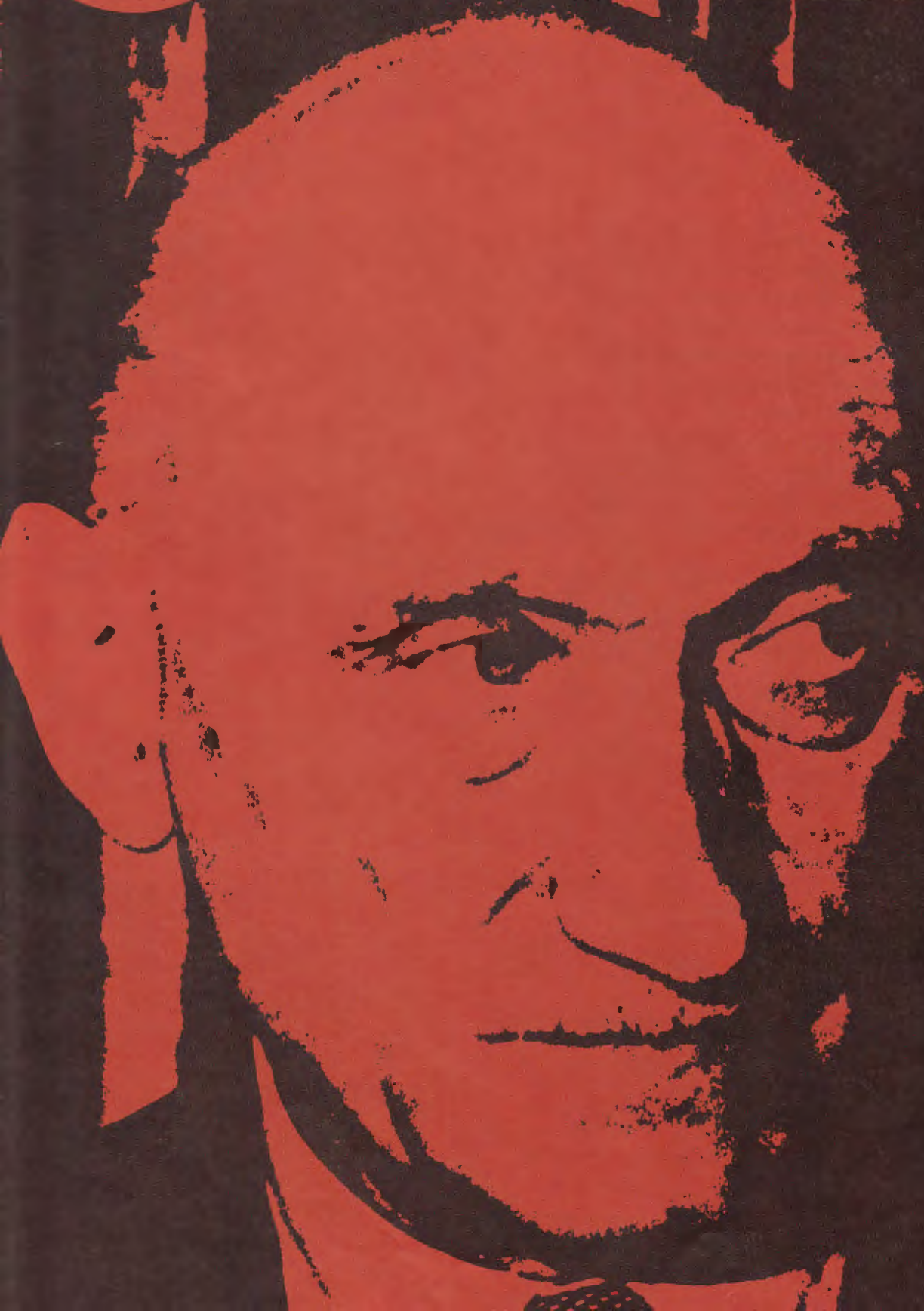


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COVER: Robert Schuman. Twenty years ago, on May 9, 1950, he read the declaration that resulted in Europe's first concrete move toward unity, the pooling of coal and steel resources and the relinquishment of some national sovereignty to a "European" body, the High Authority of the European Coal and Steel Community.

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The Schuman Plan Declaration

This is the full text of Schuman's May 9, 1950, declaration, with the exception of the last three paragraphs which dealt with administrative details. For a behind-the-scenes account of events leading up to the Declaration, see story on page 4.



Ministers of the Six after the signing of the European Coal and Steel Community Treaty in Paris on April 18, 1951. Left to right: Paul van Zeeland (Belgium), Joseph Bech (Luxembourg), Joseph Meurice (Belgium), Carlo Sforza (Italy), Robert Schuman (France), Konrad Adenauer (Germany), Dirk Stikker and Jan van den Brink (the Netherlands).

World peace cannot be safeguarded without the making of constructive efforts proportionate to the dangers which threaten it.

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

Europe will not be made all at once, or according to a single general plan. It will be built through concrete achievements, which first create a *de facto* solidarity. The gathering of the nations of Europe requires the elimination of the age-old opposition of France and Germany. The first concern in any action undertaken must be these two countries.

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

Common Bases for Economic Development

The pooling of coal and steel production will immediately provide for the setting-up of common bases for economic development as a first step in the federation of Europe, and will change the destinies of those regions which have long been devoted to the manufacture of munitions of war, of which they have been the most constant victims.

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

This production will be offered to the world as a whole without distinction or exception, with the aim of contributing to the raising of living standards and the promotion of peaceful achievements. Europe, with new means at her disposal, will be able to pursue the realization of one of her essential tasks, the development of the African continent.

European Federation's First Concrete Foundations

In this way there will be realized, simply and speedily, that fusion of interests which is indispensable to the establishment of a common economic system; and that will be the leaven from which may grow a wider and deeper community between countries long opposed to one another by sanguinary divisions.

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

In order to promote the realization of the objectives it has thus defined, the French Government is ready to open negotiations on the following basis:

The task with which this common High Authority will be charged will be that of securing in the shortest possible time the modernization of production and the improvement of its quality; the supply of coal and steel on identical terms to the French and German markets, as well as to the markets of other member countries; the development in common of exports to other countries; and the equalization as well as improvement of the living conditions of the workers in these industries.

Fusion of the Markets

To achieve these objectives, starting from the very disparate conditions in which the productions of the member countries are at present situated, certain transitional measures will have to be instituted, such as a production and investment plan, compensating machinery for equating prices, and an amortization fund to facilitate the rationalization of production. The movement of coal and steel between member countries will immediately be freed of all customs duties; it will not be permissible to apply differential transport rates to them. Conditions will gradually be created which will spontaneously ensure the most rational distribution of production at the highest level of productivity.

In contrast to international cartels, which aim at dividing up and exploiting the national markets by means of restrictive practices and the maintenance of high profits, the proposed organization will ensure the fusion of the markets and the expansion of production. . . .

May 9, 1950

A BEHIND-THE-SCENE ACCOUNT OF WHAT HAPPENED

FRANÇOIS FONTAINE

Mr. Fontaine is head of the European Communities' press and information office in Paris. At the time the Schuman Plan was taking shape, he was chef de cabinet to Jean Monnet. Mr. Fontaine tells, for the first time, the inside story of political circumstances and events in France leading up to the Schuman Plan Declaration 20 years ago.

NEVER HAD CONDITIONS IN EUROPE looked more confused, never had the Continent been nearer the explosion point than it was on the morning of May 9, 1950, despite the constant efforts of dedicated men who had been appealing for unity since the end of the last war. The morning newspapers were full of speculation about how the French Minister for Foreign Affairs, Robert Schuman, would respond to his British and American colleagues, Ernest Bevin and Dean Acheson, who awaited him the next day in London for important decisions about West Germany.

France was almost resigned to the removal of the last vestige of tripartite occupation control. Allied control over the Ruhr could no longer be justified, nor could the ceiling placed on coal and steel production in a country that was recovering rapidly. The problem of Germany's entry into the Western defense system was uppermost. How would the Russians respond to the relaxation of Allied control? The French Government was ready to propose a High Atlantic Council, the "Bidault Plan," in which Germany would have no role. The more the obsession with the German presence grew, the harder everyone tried to ignore it.

However, the head of this reconstituted state, an exceptional man, saw the dual danger of power and isolation. Chancellor Konrad Adenauer himself proposed limits on the sovereignty that would be restored to Germany. In an interview two months earlier, he had spoken of a full union between France and Germany, a union open to other countries. But he spoke for a defeated nation that had no voice in international councils. The news took up only a few lines in the newspapers. However, General Charles de Gaulle echoed his words: "If we didn't force ourselves to look at the facts coolly, we would be almost blinded by the prospects of what the French and the Germans could accomplish together. . . ." But France had to make that effort. Everyone knew that no initiative could come from the vanquished.

As for the conquerors, they were embarrassed by their responsibilities. France had to take the first step, according to the mandate given to her by her Allies. Bernard Clappier, Schuman's *chef de cabinet* at that time, tells that, during a meeting of the three Western Powers in the United States at the end of 1949, Acheson stated: "We are absolutely in agreement on entrusting our French colleague with the task of defining our common policy toward Germany." That was the day Schuman understood that he would not escape his destiny of erasing the frontier whose absurdity he more than any one else had known.¹

Schuman would seek a solution. Though he spoke the same language as the Chancellor and shared the same high ideals, he could not easily cast aside the rights of the conqueror. Particularly on the problem of the Saar, the French nationalists were watching him. Little by little he came to believe that he would have to make a radical departure to get anywhere.

Jean Monnet Steps In

Another Frenchman had also reached that conclusion. Jean Monnet, creator of France's post-war modernization plan, had watched the rapid transformation of the world balance of power, the heating up of the cold war, the swift recovery of Germany, the American decision to use this recovery for the benefit of the West, and the French reluctance to oppose it. To Monnet, Europe seemed to be reviving every past error.

He was in a better position than anyone else to gauge the economic consequences of this disequilibrium. He saw a return to national rivalries that would lead to protectionism and international cartels: France would crawl into a shell; and, in the face of Europe's silence, the United States by itself would organize Western defenses against the USSR. Thus, his fears were not limited to economic activity. He did not think only in terms of organizing production-related areas as did many of the European pioneers who sought international control over the French and German coal and steel economies. Like Schuman, he wanted to change Germany's image in Europe's consciousness once and for all. Like Adenauer, he thought the time had come to help fix the destiny of an unstable people who shifted dangerously between feelings of national superiority and inferiority.

The paroxysm of anxiety reached in the spring of 1950 and the convergence of the thoughts of two men who barely knew each other would later seem extraordinary. Schuman had had little contact with Monnet. Moreover, Monnet did not approach the Minister for Foreign Affairs when he decided to act. Instead, he sent Premier Georges Bidault a letter proposing "concrete and resolute action, in a limited but decisive area." There was to be a "basic change" in French relations with Germany "by creating a common base for economic conditions and new European rules and institutions accepted by the sovereign nations."² It was to be the Coal and Steel Community, with Europe's first supranational institutions. But Bidault did not consider this proposal important. Monnet became impatient as the clouds gathered over Europe. On Friday, April 28, he saw Clappier and gave him the same message for Schuman. That very night, Schuman thought about this message in the solitude of Scy-Chazelles.³ Monday morning, getting off the train at the Gare de l'Est, he said to his colleague: "The answer is yes. I will take care of it." Events would unfold swiftly.

The "Conspiracy"

It is Monday, May 1. Before the London conference on May 10, a revolutionary economic and political proposal must be put into shape, adopted, and published by the French Government, and Europe's answer received—with all preparations in absolute secrecy.

Quite rightly the Schuman Plan has been called a conspiracy. Had it been publicly debated, conservative forces would have torn it to pieces. The diplomats would have "negotiated." There had been more than enough talk. Another criticism rested on a more solid base: that fusing two huge systems of production, eliminating economic frontiers and ancient protectionist practices, would need months of consultations and technical study. However, the case had to be

settled in a week, without experts. On this point, Monnet and Schuman had the same ideas and the same clear conscience: experts would come later. It was an essentially political proposal.

For fear of arousing suspicion, Monnet and Schuman communicate through an intermediary, Clappier. Monnet closets himself with two aides, Etienne Hirsch and Pierre Uri. They are joined by legal expert Paul Reuter, inventor of the High Authority³ and the originator of Europe's first federal institutions. Each night the day's notes are burned. Only two ministers know about the work: René Mayer and René Pléven.

The Plan Proposed

The morning of May 9 the text of the declaration is taken to Schuman as he enters the Council of Ministers meeting. It was said that instead of reading the text to his colleagues he "recounted" it, which is in keeping with the style of this man who could seem sincere while being deliberately vague when interests of state required it. Meanwhile, in Bonn a handwritten letter was being put into the Chancellor's hands. Adenauer, surprised and moved, immediately answered: "I approve wholeheartedly."

In Paris, the Council meeting dragged on, but it had already turned to other topics. Schuman had immediately received the Council's *carte blanche* for the London conference, without revealing his intentions of telling the public of his plan that very night in Paris.

In a few hours a vast operation had been readied. The press corps was asked to come to the Quai d'Orsay at four that afternoon for a message of prime importance. The ambassadors were to meet with the Minister one hour earlier. Those present that afternoon recall the constant stream of visitors to Schuman's office. On leaving, each was intercepted by Monnet who told them: "You know it is not a joke. Read the paper carefully. It is going to happen. Believe me, there is no other way out."

At the last moment, Schuman wrote by hand the beautiful preamble: "It is no longer a question of empty words, but rather of a bold act, a constructive act. France has acted and the results of her actions can be immense. We hope they will be."

Only a few men could gauge the meaning of these phrases. "No more empty words. . . ." Yes, thought the intrigued listeners, that's what they always say, but we'll still be talking about it, in vain, for a long time to come. "A bold act . . ." that's a fancy phrase for just another proposal for the Ruhr problem. "France has acted . . ." perhaps, but whether or not the other nations follow her remains to be seen. There was some scepticism in the Salon de l'Horloge as Schuman read the declaration in his monotonous soft voice. "Europe will not be made all at once, or according to a single, general plan. It will be built through concrete achievements, which first create *de facto* solidarity. . . ."

Those words contained the terms of an empirical method meant to reassure and even mislead certain people. The prospect of pooling coal and steel resources disturbed only the steelmen who declared war at that very second. But for the public, the plan conformed closely to ideas of the moment. A note drafted at the last minute by Pierre Uri was simultaneously distributed to journalists emphasizing that the High

Authority would be completely different from a cartel. This could only be to the good for the French, haunted by the reemergence of the German steel cartels.

The Key Words: European Federation

To convince political commentators to treat the plan in a way that would capture the public imagination at that time of disenchantment, it had to be played up. A note from *Agence France Presse* stressed the importance of the event. "It is a political gesture of exceptional importance—some people go so far as to call it 'revolutionary'."

The transformation of economic sectors that had provided the means for two wars into an instrument of peace was emphasized. However, most people scarcely saw beyond the settlement of the Franco-German dispute. "Europe" was not yet clearly seen. Nonetheless, the key words had been uttered, the words that have given validity to every political development in the Community for the past twenty years: "This proposal will build the first concrete foundation of the European Federation which is indispensable to the preservation of peace."

In 1950, the word "peace" was stronger and better understood than the expression "European Federation." It was a chance for peace that the French and all Europe welcomed that night.

The news dispatches announced the agreement of the German, Italian, Belgian, Luxembourg, and Dutch Governments. In retrospect, the feeling remains that this was a well-mounted operation. Now it seems astonishing that the Community of Six, which has stood the test of time, simply fell into place in a matter of hours, without any lengthy deliberations by kings, queens, and presidents; but this is what actually happened. Sovereignty, like privilege, either abdicates in an instant of generosity or not at all.

After all, no one had yet spoken of the Six when Schuman concluded: "Gentlemen, France is making a proposal, with no idea of how it will turn out. It is up to Europe to answer. . . ."

"Is Russia a part of Europe?" someone immediately asked.

"Of course . . ."

"Then it's a leap into the unknown?"

"That's right, a leap into the unknown," said the French Minister. "I thank you, gentlemen."

In a little while he would leave for London to meet with Bevin and Acheson. Perhaps the English read the text more carefully or understood the meaning of the French proposal less fully, for the British declined membership (*see page 6*). In any case, the London conference took place, but the original agenda was thrown out. May 10 dawned over a healing Continent once again imbued with hope.

1. The son of a farmer from the Lorraine, Schuman was born in Luxembourg and later made his home in Metz, in Lorraine, which was annexed to Germany in 1871, but returned to France after the First World War.

2. This introductory note (nine pages long in the final version of May 4, 1950), a secret historical document, was published for the first time by *Le Monde*, on May 9, 1970.

3. Schuman's home near Metz, France.

4. The nine-man Executive of the Coal and Steel Community.

Britain and the Schuman Declaration

ROGER MASSIP

MAY 10, 1950, THE DAY AFTER ROBERT SCHUMAN'S declaration, he met in London with his American and British colleagues, Dean Acheson and Ernest Bevin. The conference, arranged several weeks before, was to re-examine the German problem. (It was after this meeting that the three powers published a declaration expressing the Allies' intentions of pursuing a policy enabling Germany to be progressively reintegrated into the community of the free peoples of Europe.) While the ministerial discussions were going on, Robert Schuman and Jean Monnet, who joined the Minister on May 14, held talks with the head of the British Foreign Office and his colleagues. They provided details and explanations of the French plan and tried to convince the British of their sincere desire to see the United Kingdom involved in it.

However, they met with a rather cool reception. There were other conversations, as well as an exchange of notes and messages which began on May 25 and went on until June 3. The result is well known: Britain refused to take the plunge, and the negotiations for the treaty setting up the first European Community took place with only the governments of France, Germany, Italy, the Netherlands, Belgium, and Luxembourg.

The reactions both of the British public and of the British Government help to explain why Whitehall was led to refuse the proposal made to it.

The First Step Towards the European Federation

The first comments by the press in Britain tended to approve of the Schuman Plan. Most big London newspapers looked upon the French plan as a serious, praiseworthy effort to bring Germany into the community of European nations and end Franco-German enmity. The papers also recognized that the Schuman Plan could offer economic advantages for Great Britain, but they were not yet aware that the authors of the Plan envisaged the coal and steel pool as simply the first step towards a European federal union.

This federalist interpretation of the Schuman Plan was not endorsed by the British Government. Right from the initial contacts and throughout Monnet's explanations, the Whitehall officials knew what the issue was. It was perfectly clear to them that the French Government had definite views on the ramifications of its plan, as well as on the way in which negotiations should be conducted. Ernest Bevin was, without a doubt, the first British statesman to gauge the true scope of the French proposal and to grasp that it was intended to introduce a new factor into the problem of Europe's development towards unity.

On May 25, Whitehall's first message to Paris stated its strong interest in the French plan; and on May 27, in a memorandum, the British Government asserted its willingness to take part in all future discussions. However, its third message, on May 31, was more cautiously phrased. The British Government said it would take part in the talks proposed by France in the hopes they would result in a plan that Great Britain could support. There had therefore been a change of heart. Great Britain had thought, initially, that she could join a Coal and Steel Community. Now she only wanted to

take part in the proposed conference but believed she could not accept France's conditions for participation in the discussions. On this point, the British memorandum of June 2 is clear. Britain did not consider the new wording of the communiqué proposed in the latest communication sent to London any more satisfactory than the previous forms. If Her Majesty's Government were to accept this, read the memorandum, it would consider itself bound to place its coal and steel production in a European pool, and to set up a new High Authority which would make decisions binding upon the government concerned. The memorandum further stated that, although not flatly rejecting such possibilities, the British Government could not grant its consent without being fully informed of the plan's political and economic implications.

The Two Key Principles

The French position was very different. Paris called for acceptance of the two principles laid down in the May 9 declaration: the pooling of European coal and steel production and the creation of a High Authority to make decisions binding upon the participating countries. Discussions could, of course, be held about how these principles were to be carried out, but the countries had to accept them in advance and agree never to call them into question. This was what the British Government refused to do.

The question has been raised as to why the French Government did not offer some compromise, such as agreeing that Great Britain should sign a special communiqué in which she would be able to withhold acceptance until the details of the plan were definite. This suggestion was made from various sides, but the French Government scotched it in its note of May 30, which firmly stated that negotiations had to be clearly directed by agreement on the basic aims. In other words, France refused to grant Great Britain the privileged position that Whitehall wanted at the start. The French had a communiqué to be signed: the British could take it or leave it.

Such was the situation on June 2, when it was decided that the discussions would be terminated by three communiqués. These were: a communiqué from the "Six" accepting the basic principles; one from Great Britain, reaffirming her point of view and recording the difference between French and British opinion, and one from France, promising to keep the British informed and to bear Whitehall's point of view in mind during the Paris conference.

British Reservations

The reasons for France's intransigence are obvious. It would have been illogical and probably dangerous to admit to the conference table as voting member a state which manifestly wished to remain aloof from the European project by refusing to accept the obligations required of it. The same objection held true for the participation of observers hostile to the plan on principle, since they might be tempted to throw a wrench into the works, paralyzing the negotiations.

This firm opposition to any British intrusion as long as London refused to take part unreservedly showed that, as far as the "Six" were concerned, the objective was quite clear:

Mr. Massip, Foreign Editor of the French newspaper Le Figaro, was present when Schuman read his declaration.

not merely to create a coal and steel pool but to lay the foundations for European unification.

This is the crux of the problem raised by relationships between Great Britain and Europe in 1950. The British Government was fully aware of the real purpose of the Schuman Plan and, for this reason, wanted to stay out. Both Conservatives and Labour agreed on this point. Neither party was prepared to take the path to a European federation. Winston Churchill bluntly declared that he could not envisage Great Britain as an ordinary member of a federation limited to Europe. This opinion of the old Conservative leader, who was a leading figure in the European Movement and who, in a great speech at the University of Zurich, had called for the establishment of a United States of Europe, is only disconcerting at first sight. Winston Churchill championed European unity, but he never contemplated its including Great Britain, except via an association which would leave her a free hand, especially on the side of the "open sea." Two years later, Anthony Eden expressed the same dislike of federation. In a speech given in the United States on January 11, 1952, after the Conservatives' return to power, he declared that Great Britain and its interests extended far beyond the European Continent, to beyond the oceans.

British Feared European Involvement

In 1950, then, there was total support for the Labour Government's refusal to participate in the French plan. There were various, deep-seated reasons for this distrustful reaction, this distaste for European involvement. They were based on economic, political, and psychological considerations. The final determining factors, however, were political and psychological. Convincing proof of this is given by *The Times'* lead article on July 29, 1950, on the Schuman Plan. According to this British paper, the plan would have been more successful had the French not wished to make the coal and steel organization a vehicle for European political federation. This French desire, so *The Times* said, hindered an economic analysis of the proposals and of the industrial and commercial difficulties which they were designed to deal with. This comment clearly shows that Britain's real reasons for refusing were political.

In 1950, a European federation involved two dangers for Great Britain. First of all, it would exclude the United States which, as the federation developed into a formidable power, might consider this a pretext for ending or reducing its participation in European defense. On the other hand, a federated Europe might be tempted to do without America. Great Britain did not want to risk either American isolationism or European neutrality.

The second danger was this: membership in a European federation would deprive Britain of her freedom of action in relations with the United States, thus making it impossible for Britain to maintain her position as America's privileged partner.

In 1950, just as later, Great Britain's relations with the Commonwealth formed an obstacle to any European commitment, though in this case it was primarily an economic obstacle. However, even in the political sphere, there were still plenty of arguments to remind people of the existence of

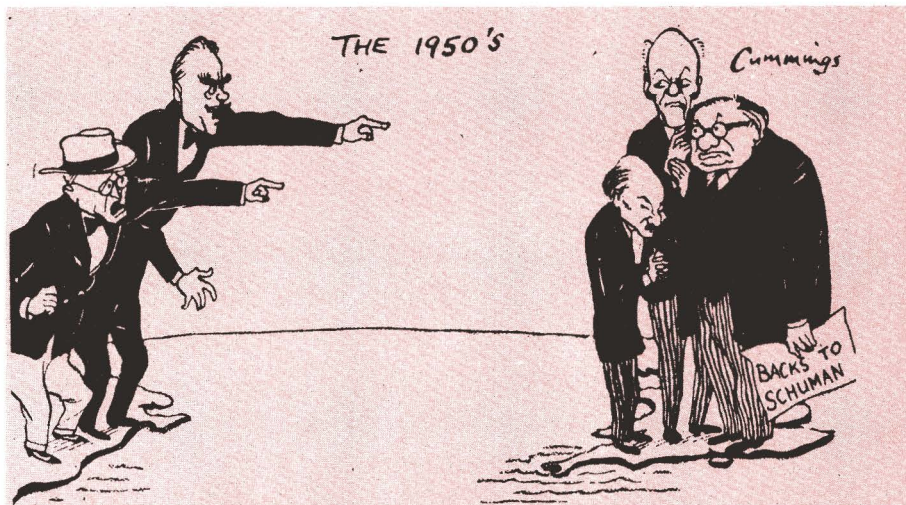
this organization based on allegiance to the British Crown, as well as of the difficulties that would be bound to arise if Great Britain had dual responsibilities. The United Kingdom wanted to preserve these Commonwealth links, which were as much sentimental as political. Britain, therefore, refused both to cut herself off from the Commonwealth by disappearing into Europe and to get any closer to it than to its former dominions. Here again, Great Britain's main concern was clear: to retain her freedom of action in world affairs.

There is still another reason resulting from what could be called "political psychology." The citizen of the United Kingdom will not easily agree to a close association of his country with foreign states in a community governed by an authority more powerful than the Parliament of Westminster. Feelings of superiority doubtless explain part of this reluctance, but (and this was particularly true in 1950) it was also loyalty to a national ideal which the Second World War had in no way shaken. Great Britain had emerged from the struggle sorely tried, but victorious and confident of the enduring nature of its position as a great world power. The Briton of the 1950's did not share the Continental European's acute awareness of being a dwarf between the American and Soviet giants. Unlike his French counterpart, he felt no need for union with other nations to compensate for the relative weakness of a country reduced to its own resources. He remained basically insular, and although he might understand France's gradual conversion to the virtues of a European federation, he did not think his country's case comparable to the position of nations that had suffered military defeat and been occupied for four years. These were, by and large, the feelings which inspired the British leaders' reactions. Twenty years ago, Britain was not ready for commitment to Europe.

Conversion to the European Idea

Events brought about a drastic change in this attitude, and the British, basically pragmatic people, quickly learned their

"Isolationists!"—Cummings in the British newspaper *Daily Express* on June 10, 1950, depicted Harry Truman and Dean Acheson pointing accusingly at Clement Attlee, Hugh Dalton, and Ernest Bevin after Britain declined to join the European Coal and Steel Community.





In 1950, Robert Schuman (right) and Jean Monnet drew the conclusions forced on them after long, fruitless efforts: "Britain is not yet ready to take the step we wanted to take with her. We must wait. . . ."

lesson. "The British believe only in facts: create the European fact and they will believe it," prophesied Jean Monnet in 1950.

This respect for the realities of life led Britain to take a close interest in the work of the European Coal and Steel Community, to send a mission to the High Authority in Luxembourg, and finally to become an associate in the Community. This initial, timid but extremely revealing, gesture marked the beginning of a new development: on August 9, 1961, the Macmillan government asked the Six for negotiations for membership in the Common Market (as well as the ECSC and Euratom). Whitehall had thus drawn its conclusions from the success of the European Community.

The British were also converted to the European idea because in 1950 they had rejected the disintegration of British power. Harold Macmillan was the first politician to grasp the new choice imposed on Britain by its new situation as a middle-sized power, unable to pursue a world-wide policy on its own. The illusions of the years after the costly victory of 1945 had vanished. The United States was proving increasingly less inclined to maintain the "special relationship" with Great Britain. At the beginning of 1961, John F. Kennedy had made it clear to Whitehall that the dialogue between the United States and Britain could continue effectively only via Europe. The inescapable choice was therefore between be-

coming a satellite of the United States and assuming a role worthy of the great past within a group of nations resolved to unite their weakened forces to regain, as a body, the power each of them had lost individually.

Harold Wilson was convinced by the same evidence. In 1967, this man, who in 1961 had vehemently attacked his country's application to join the Common Market, asked for the European Community's gates to be opened to the United Kingdom. Just as there had been unanimity in 1950 in rejecting the Schuman Plan, so too, from 1967 on, there was unanimity on an application that was no longer partisan but national.

The scene confronting Wilson today is almost as gloomy as the one Mr. Macmillan mournfully regarded in 1961. The old empire is no more than a memory. The myth of the Commonwealth as a source of power and influence is no longer accepted by responsible people. Great Britain could, no doubt, associate more closely with the United States and Canada within the framework of an Atlantic free trade area; but the difference in scale between the United Kingdom and America is too great, as is also the United States' technological lead. In reality, association would mean absorption. Only the European option remains. Here the scale is the same. Geographical proximity reinforces a genuine community of interests. Great Britain's technological lead would enable her to make a considerable contribution. The British have really gone empirically into the problem of relations between their country and Europe. Today they are convinced, and there can be no doubt whatever about the sincerity of their desire to work with the "Six" to build a stronger and more independent Europe.

In 1950 Robert Schuman and Jean Monnet, in the very terms General de Gaulle would use in 1963, drew the conclusions forced on them after long, fruitless efforts: "Britain is not yet ready to take the step we wanted to take with her. We must wait. . . ." Years have gone by. A slow, silent revolution has taken place. Every month confirms it, and strengthens the desire of those who today wish to force the gates of Europe just as fervently as their predecessors twenty years ago wished to go in the opposite direction.

If, in 1945, Great Britain had taken the initiative of calling upon the countries of Europe to unite—not without her, but with her—her appeal would certainly have been heard, and she would have become the nerve center of a new Community. But, if one knows just a little history and a smattering of geography, it is easy enough to understand and to respect the motives that led her to choose a different attitude. For Great Britain was lucid enough to tell the democracies of Western Europe: "Unite." She was not ambitious enough to say: "Let us unite." The Community was thus built according to the wishes of Great Britain, that is to say without Great Britain.

FRENCH FOREIGN MINISTER MAURICE SCHUMANN
Address before the Franco-British Society
London, January 22, 1970

Entry Talks Can Begin

JUNE 30 HAS BEEN SET as the date for the opening session of negotiations between the European Community and the four countries that have applied for membership: the United Kingdom, Ireland, Denmark, and Norway. This session will take place in Luxembourg.

This target date was agreed on by the Council of Ministers meeting in Brussels on May 11-12. Final decision on the date, however, still depends on the progress between now and then on the Community's common negotiating position. At the May 11-12 meeting, a common position was reached on problems connected with the European Atomic Energy Community Treaty, problems related to the British Commonwealth, and institutional problems. Meeting in Luxembourg on April 20-21, the Council reached agreement on its common position on problems related to the European Coal and Steel Community, problems connected with economic and monetary union and the Community's further development, and additional points concerning the transitional period for the candidate countries, on which agreement had been reached in March.

Wine Policy Finally Set

The last obstacle to the start of membership negotiations—final agreement on the details of the regulation outlining a common

Commission Vice President Sicco L. Mansholt (left), architect of the Community's farm reform program, talks with Luxembourg Minister of Agriculture Jean-Pierre B uchler (center) and German Minister of Agriculture Joseph Ertl during a break in the March 20 Council discussions on wine. Since the Ministers of Agriculture could not reach a decision at that meeting or at later meetings, the foreign ministers stepped in "to apply political pressure," according to Dutch Foreign Minister Joseph M. A. H. Luns.



wine policy—was cleared at the April 20-21 meeting, when the basic regulation was adopted. The executing regulations were acted on the following week at the April 27-28 Council meeting in Brussels.

Various member countries had imposed a number of conditions on the opening of entry talks. France insisted that the Six settle the final rules for financing the common farm policy, which they did at a fifty-hour marathon last December, producing a two-part package deal. The Community would be given the means of financing its activities from its own resources (levies on farm imports, customs duties, and part of the revenue from TVA, the common turnover tax), while the European Parliament's control over the Community's budget would be increased in 1975. However, the two decisions and the treaty providing the legal basis for the package were concluded only on April 21 and April 22, respectively, because Italy refused to sign the financial agreement until the Six had finished the common policy for wine, which took longer than expected.

After the Six had agreed upon the bases of a wine policy in February, wine growers in Luxembourg and Germany insisted that they should be allowed to continue adding sugar to their wines to compensate for their relative lack of sunshine. In addition, France asked for higher price-support levels than her partners had envisaged.

After two months of inconclusive Council meetings, attended by the agricultural ministers, the ministers for foreign affairs stepped into the discussions, "to apply political pressure," as Dutch Foreign Minister Joseph Luns put it. Following two days of virtually nonstop talks, the deadlock was broken on April 21. As a result, wine will circulate freely from June 1; Germany and Luxembourg winegrowers will be allowed to increase the alcoholic strength of their wines by up to 3-5 per cent by adding sugar, and price-support levels will be fixed at current French rates, the highest in the Community.

Confusion on Parliament's Powers

At 1 a.m. on April 22, less than an hour after the wine compromise had been approved, the Council signed a treaty amending the budgetary clauses of the ECSC, Common Market, Euratom, and merger Treaties and increasing the Parliament's budgetary powers. At the ceremony, Belgian Foreign Minister Pierre Harmel, who had presided over the Council session, appealed to the six national parliaments to ratify the treaty in time for it to come into force on January 1, 1971, as scheduled.

The Six also agreed to reconsider the increased powers granted to the European Parliament, following complaints by the Parliament that its post-1975 budgetary powers would be limited to a small fraction of the total community budget. Within two years the Commission will propose changes.

The Commission welcomed the Council's agreement on a common wine policy, but thought that the ministers had given insufficient attention to the European Parliament's views on its increased budgetary powers. The Commission also dissociated itself from the Council's final decision on this question.

At issue was whether or not the treaty allowed the Parliament to reject the Community budget, as a whole, by a three-fifths majority after 1975, and whether the Council would then have to make new proposals. Although the Council declined to interpret the text, it did agree to take another look at it by 1972.

Europe Since 1945

1945

At the end of the Second World War, Western Europe lay in ruins. It faced two fundamental questions. One was economic: how could the material destruction be repaired? The second was political: how could Europe recover political strength and stability?

1946

A response to the political question was heard in 1946 when, in Zurich, Winston Churchill stressed the need to build a "United States of Europe."

1947

The promise of economic recovery for Europe came from the United States with the Marshall Plan proposal in 1947. The only condition attached to American aid was that Europe itself organize the recovery. To do this, European nations formed the Organization for European Economic Cooperation (OEEC), and later the European Payments Union.

1948

At a meeting held at The Hague in 1948, Europe's political leaders advocated the establishment of a European Parliament as a step to the political union of Europe. Ten European countries in 1949 agreed to form the Council of Europe. Despite ambitious aims, the Council of Europe lacked an institutional structure with decision-making powers. It soon became merely a diplomatic sounding board for its members.

1950

On May 9, 1950, Robert Schuman, French Foreign Minister, read to representatives of the world press a proposal from his Government, a proposal described by Walter Lippman as the most audacious and constructive since the war. This blueprint for the future integration of Europe, drafted by Jean Monnet only a few days earlier, became known as the "Schuman Plan." Its aim was to reconcile France and Germany within a European Federation. Its method was to create *de facto* economic solidarity among Europeans by pooling basic production, beginning with a European authority for coal and steel.

1951

On April 18, 1951, less than one year after Schuman's declaration, six European countries—Belgium, France, Italy, Luxembourg, and the Netherlands—signed the European Coal and Steel Community (ECSC) Treaty in Paris.

1952

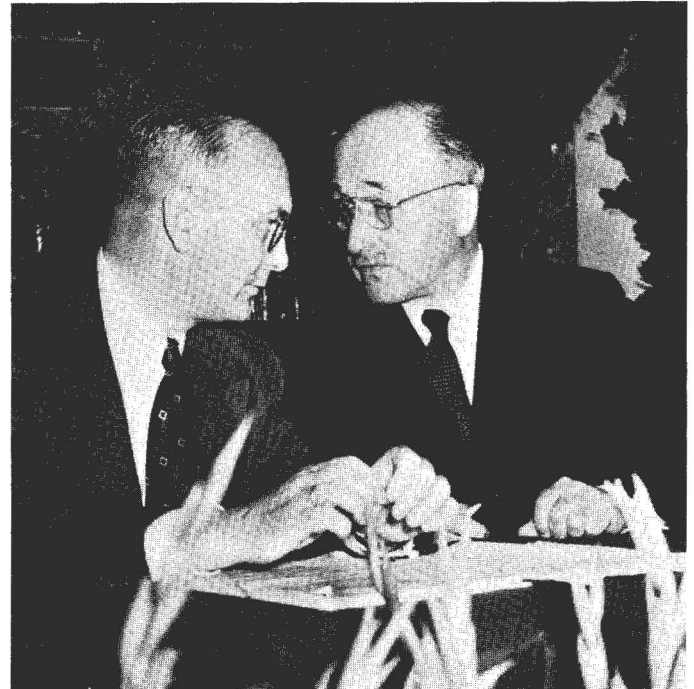
The parliaments of the six countries ratified the Treaty and thus created the first European institutions with federal characteristics. The executive branch of the ECSC was independent of governments, and its decisions not subject to veto. It established a "common market" for coal and steel, administered Europe's first effective anti-trust law, carried out Europe's first labor resettlement and "trade adjustment" policy, and levied the first European (as opposed to national) tax on coal and steel production.

1954

After unsuccessful attempts to establish a European Political Community and a European Defense Community in 1954, Europeans turned back to the economic road to integration. Europe's economic weakness contrasted vividly with the economic strength of the two continental giants, the United States and the USSR, whose political policies largely dominated the world.

1955

Next step toward unification was taken at Messina, in June 1955, when, under the chairmanship of Belgian Foreign Minister Paul Henri Spaak, a committee was instructed by the six Community countries to examine the possibilities for general



The opening session, on August 10, 1952, of the High Authority, the executive of the European Coal and Steel Community. Jean Monnet (right) was the ECSC's first President. Franz Etzel (left), its first Vice President.

economic union and joint development of the peaceful uses of atomic energy.

1956

As a result of the Spaak Committee Report, negotiations for drafting two treaties opened in Brussels.

1957

The Treaties were signed on March 25, 1957, in Rome, where the ministers of the six countries formally established the European Economic Community (Common Market) and European Atomic Energy Community (Euratom).

1958

Provisionally located in Brussels, the Community's institutions began their work, consisting of setting up a customs union and shaping common economic policies for the whole Community.

1959

On the first of January, the first cuts in the custom duties for goods traded between the member countries were carried out.

1960

In 1960, the Six took the first steps towards bringing national tariffs on imports from non-member countries into line with a common external tariff.

1961

In the course of 1961, steps were made to free the movement of men, firms, and services throughout the six member states. The Community also moved into the more difficult phase of working out common policies, especially in the spheres of agriculture, competition, transport, and trade with the rest of the world. Hand in hand with the internal development of the Community, external affairs loomed larger in its activities: the first association agreement was signed, with Greece; applications for full membership in the Community were presented by Britain, Ireland, Denmark, and Norway.

1962

President Kennedy proposed the Trade Expansion Program and an "Atlantic Partnership."

1963

Formal association links for aid and trade were forged with 18 independent African countries and with Turkey. The Community signed its first trade agreement, with Iran. A sudden veto by France in January 1963 ended membership negotiations with Great Britain and precipitated the Community's first political crisis.

1964

On May 4th, negotiations opened in Geneva under the General Agreement on Tariffs and Trade (GATT) aimed at cutting tariffs by 50 per cent on goods traded among the GATT member countries. The Six adopted the first Community plan to combat inflation and, to secure growth equilibrium, drew up its first five-year economic program. The free movement of workers throughout the Community became effective with the abolition of the priority given to national workers on the national employment markets.

1965

In the first half of the year 1965, the customs union was well under way, agricultural policy was making progress, the merger of EEC, Euratom, and ECSC Community Executives was decided, and other decisions were being taken in a number of fields. At midnight on June 30, 1965, a second major crisis broke. France sought to modify the role of the Commission and abandon majority voting on matters which a government considered vital to national interests. The other five members refused. Consequently, France boycotted the Council of Ministers and other Community institution meetings for seven months.

1966

On the 28th and 29th of January 1966, the Foreign Ministers of the Six, after "agreeing to disagree" on disputed issues raised by France, decided to resume normal work in Community institutions. In July, the six agricultural ministers adopted the basic principles and fixed common prices to be applied throughout the Community for major agricultural products.

1967

On May 11, 1967, Britain renewed its application for Community membership. Four days later, The Kennedy Round—wherein the European Community spoke with one voice on trade affairs—was concluded.

1968

On July 1, 1968, a full customs union was established, providing free trade for agricultural and manufactured products throughout the Community.

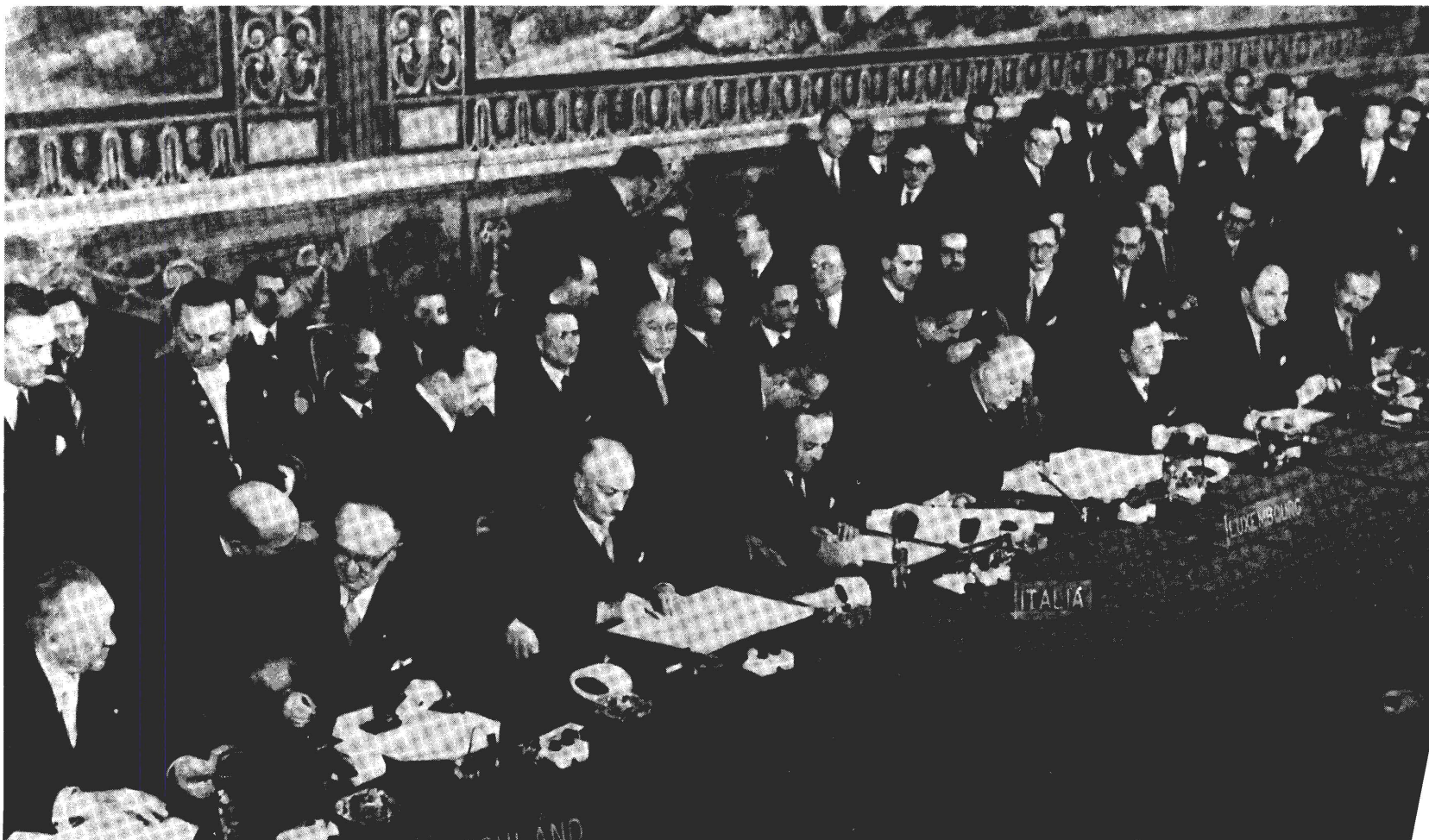
1969

The Community's partnership with Africa was confirmed through renewal of the second Association Treaty with 18 independent African countries. Following a summit meeting in The Hague between the Governments of the Six in early December, the Community was given a new impetus. Main objectives were fixed and a timetable set for: monetary union, full economic union, and the strengthening and enlargement of the Community.

1970

The Council of Ministers further developed The Hague meeting proposals, including a decision to strengthen the budgetary role of the European Parliament.

March 25, 1958, the signing of the Rome Treaty creating the European Economic Community.



Vision and Reality 20 Years Later

DEREK PRAG

Derek Prag, director of the Commission's London Press and Information Office, expresses in this article a personal viewpoint. He has been involved with the Communities, first as a journalist and later as a Community civil servant, since 1953.

THE MONNET-SCHUMAN CONCEPT has been attacked, if not written off, many times, and for a variety of reasons. For the nationalists, the idea of pooling sovereignty in a wider grouping was and is anathema. They see the nation-state as the summit of human organization and political achievement. It is no accident that they are strongest in Britain and France, for these are the oldest of Western Europe's nation-states, with long and deep-rooted national, and indeed imperial, traditions.

To convince federalists, who believe that Europe must unite politically as well as economically in order to have influence in a world of superpowers, the dependence of progress on the goodwill of the member states' governments, despite the federal-seeming structure of the Community's institutions, is a continual source of disappointment. During the bleakest years, from the 1965 crisis to 1969, when progress was slow and technical, disappointment deepened into black pessimism. It has, in fact, always been clear that the opposition of just one member government to the fundamental concept of integration was enough to hold up major progress towards economic and political union.

Among the Six, France's opposition from 1965 to 1969 to the Community concept—the concept of integration with a strong Commission and generalized majority voting in the Council of Ministers—has been the strongest manifested so far. It was also the only one to have been, as it were, ideologically formulated, but it has been by no means isolated or unique. Even in its early days, the European Coal and Steel Community High Authority's power over coal and steel rubbed abrasively against the skins of national governments. There was an inherent conflict between the High Authority's limited supranational powers over coal and steel and the sovereignty retained by the national governments in other fields. It was the government of Mendès-France, not that of General de Gaulle, which provoked Jean Monnet's resignation from the Presidency of the High Authority. One also recalls the tough German stand against the break-up of the Ruhr coal cartel and Dutch intransigence, over many years, on transport. In the European Economic Community, Germany's national interests have been defended to the bitter end on farm prices (for grain and milk), and Italy's on a Community policy for wine production and marketing.

The extraordinary thing is not that the Community institutions were unable to overcome national resistances more quickly, but that anyone should have expected these national interests to disappear overnight in the general Community interest.

The virtue of the Community system, then, lies not in its quasi-federal structure but in the ability of its quasi-federal

Wreath-laying ceremonies outside the Commission's headquarters in Brussels on May 5. The monument bears the inscription: "Robert Schuman, pioneer of European Unity, 1886-1963," in the four official languages of the Community, here in German.



institutions, in certain circumstances, to make real and substantial progress towards integration. It lies in the ability of those institutions to act—to crystallize common views out of diversity, to formulate policies, to make decisions, and to execute those decisions once they have been made. The fact that their action will be faster or slower, depending on the amount of good will displayed by the national governments, is important but not, in the long run, crucial. For the institutions remain, ready to push through new common policies when the right circumstances come about.

Institutions' Key Role

This was surely what Jean Monnet meant when he wrote: "Men pass, others will come and replace us. We cannot hand down to them our personal experience, which will vanish with us. What we can hand down to them is our institutions. The life of institutions is longer than that of men, and institutions, if they are well constructed, can thus accumulate and transmit wisdom to successive generations."

But are the present Community institutions well constructed? Our answer depends on the criteria we adopt. The good federalist—and perhaps many others—will judge by whether the institutions are able to cope, speedily and effectively, with the problems of a continent whose industrial and technological power and political influence have been declining relative to those of the superpowers. They will also judge by whether Western Europe's great economic wealth and potential are being reflected in her industrial and political position in the world. On the basis of these criteria, the answer is clear: the Community system, at its present stage of development, is both cumbersome and inadequate, covering only a limited politico-economic field.

In comparison with the United States, which has a population comparable in size, the Community lacks both a strong executive and adequate democratic control, and it has no competence to deal with most political events where the world's important decisions are made. In the Community, national governments retain the full panoply of sovereignty. The instruments of enforcement (the defense and police forces and the judiciary) and the symbols of power and authority (such as flags and postage stamps) remain firmly under national control.

Practically all major appointments in political and economic affairs—including the appointment of the Commission members themselves—are made by the national governments. The governments, backed by their civil services—indefinitely more numerous than the Communities'—form a massive vested interest. Against it, the almost unanimous pressure of industry and labor unions for faster progress towards economic union has normally faced an uphill battle. If the Commission is strong, it is because the governments wish it to be strong; if it is weak, it is because the governments wish it to be weak.

If we are at all serious about European union—or indeed about the future of Europe—our ultimate yardstick must be: what is really necessary to enable Europe to speak with a single voice in the world?

Realism and Reality

Nothing is more certain than that Europe will continue to mean little in the world as long as she fails to provide herself

with the means of formulating common policies and of making and executing common decisions. But the world in which we operate is at the moment unreceptive to the realism and idealism needed to give Europe the means of speaking with a single voice. Britain's leaders, on several occasions, and those of France and Germany at the last Franco-German summit talks, have said unequivocally that they do not envisage a federal or supranational solution for political unity. This means that, in present circumstances, politics being the art of the possible, we need a second yardstick.

Monnet and Schuman were fully aware of the need for the second yardstick, to measure what is politically possible. Visionary realists though they were, they could never have made such an impact on European history if they had not, both of them, been firmly rooted in the realities of politics and power. Monnet, who conceived the Schuman plan, had held a series of key posts involving such highly delicate tasks as the joint purchase of arms in the United States for Britain and France and culminating in the leadership of the French planning commission, the Commissariat au Plan, before he became the first President of the ECSC High Authority in 1952. Schuman, who made the Coal and Steel Community a political reality, remained French Foreign Minister for five years through numerous changes of government. No idle Utopians, these.

If they had been, they could not have seized what was perhaps the one moment in European history when their plans had a good chance of being adopted. In 1950 Western Europe was deeply aware of the Russian menace, following the Communist coup in Czechoslovakia and the threat to Berlin. Federalist movements had grown up among the Resistance in the occupied countries, and there were in power in Germany and Italy two men, Konrad Adenauer and Alcide de Gasperi, who, frontiersmen like Luxembourg-born Schuman, were determined to ensure that Europe never again engaged in fratricidal war. And, waiting in the wings in Belgium, was the man who was later to play the dominant role in shaping the EEC Treaty—Paul Henri Spaak.

The Schuman declaration of May 9, 1950, makes it clear that Monnet and Schuman were aware, from the start, of the two wavelengths on which they would have to operate. On the wavelength of visionary realism: "These proposals will build the first concrete foundations of the European Federation which is indispensable to the preservation of peace." Coal and steel were placed clearly in the political context. On the wavelength of practical possibilities: "Europe will not be made all at once, or in a single, all embracing construction. It will be built through concrete achievements, which first create a *de facto* solidarity."

Sovereign and Democratic

The twenty years of struggle to unite Europe are more easily comprehensible in the light of this duality of purpose, though the threads running through them remain strangely constant. "The Community needs a truly sovereign and democratic parliament, not a bastard assembly which cannot and may not do anything. . . . Real European unity will only be achieved when the European institutions are made responsible to the

elected parliament of a European nation.” Jean Rey or Joseph Luns, 1970? No—German Bundestag member Carlo Schmid, in the Bundestag debate on ratification of the Coal and Steel Community Treaty, 1951.

Improving the System

Few would deny the shortcomings of the present system—certainly not those who are faced with the task of making it work, particularly when there are ten member countries instead of six. The most important need is for greater democratic control. In spite of the increase in the Parliament’s budgetary powers in recent months, its control over the development of the Community remains minimal; and only direct elections of its members can give it the basis in popular feeling it so badly needs.

Secondly, decisions must be made and carried out more speedily. The log-jam of drafts before the Council of Ministers could be broken by extending the range of matters subject to majority voting, and inaction and endless debates avoided by applying the majority rule more rigorously. The operation of the Commission could be streamlined by modifying the present collegial system which requires all decisions to be taken by the Commission as a whole; its members could be given departmental responsibilities, and some of the Commission’s wide-ranging functions delegated to agencies (for example, its role in the anti-trust field could be carried out by a Community Monopolies and Cartels Bureau operating under Commission supervision). The Parliament could be given the

The 14-man Commission, though unwieldy and cumbersome in size, still managed to make decisions. This is the first meeting of the Commission, on September 10, 1969, in its new Berlaymont headquarters in Brussels. (The fifteenth person seated at the table is the secretary general of the Commission.)



right of appeal to the Court of Justice against Treaty infringements or even of making a decision if the Council persistently remained inactive.

Finally, a gentle move towards more effective representation of the Community interest could be made by strengthening the Commission and by giving it the exclusive power to make proposals on matters subject to the three Communities.

These are the kind of “concrete achievements” which would take the Communities a little closer towards those laudable general aims of economic and political union to which most national politicians pay lip service but whose implementation few have so far envisaged in practical terms—and one day to the “European Federation” capable of decisive action and of influencing the course of world affairs.

Concrete Achievement

By any standards, the achievement of Monnet and Schuman in the 20 years since May 9, 1950, is impressive. They reversed the course of European history from fragmentation to voluntary unification. The institutions they created remain substantially valid. A whole body of Community law, superior to national law, has been created. A customs union has been set up which, since The Hague summit conference of last December, has put on a spectacular turn of speed towards economic and monetary union. The decision has been made to give the Community institutions their own source of revenue. The Community, if not irreversible, is part of life in the Six—indeed in Western Europe as a whole. With its fast growth rate and rapidly rising prosperity, it is a basic component of the framework in which all sections of the people operate: the ministers who meet almost every week in Brussels and Luxembourg; the industrialists who plan, invest and produce for a single market of 187 million people and expect a single economic, financial, and industrial policy for a single economy; and the labor unions who almost unanimously see the Community as a potential major instrument of social welfare.

Above all, there is hardly anyone in the Six—outside the Communist parties—who believes that there is any practical way towards European union except by building on, strengthening, and streamlining the existing Community structure. The Community system has many imperfections. But no one has yet found a better way of reconciling the general Community interest with the national interests of the member states, of reconciling divergent viewpoints between the member states, and of resolving deadlock, than the Commission-Council “dialogue”—the process by which the Commission submits proposals to the Council, in which the national ministers discuss them, in the Commission’s presence, until the Commission, in the light of the views expressed, drafts a final proposal which the Ministers accept.

Churchill once said that parliamentary democracy, with practically every imaginable fault, is the best system of government we know. Perhaps the measure of the success of Monnet-Schuman Europe, with all its faults, is that if they had not invented it we should have had to devise something remarkably similar in order even to approach the results it has achieved.

Europeans Vote for Europe

WITHOUT ANY ELECTION CAMPAIGN or balloting, almost without realizing it, Europeans have voted for a united Europe.

A public opinion poll, the first of its kind, was conducted in January and February in the six countries of the European Community and Great Britain by a group of information organizations.* It was made independently, but at the suggestion of the Press and Information Service of the European Communities Commission.

The 12,000-person sampling was representative of the voting-age population (21 in the Community, 18 in Great Britain) in each of the countries surveyed.

The questions and answers, expressed in percentages, were as follows:

Are you for or against the development of the Common Market into a United States of Europe?

	G	B	N	L	F	I	GB
For	69	60	64	75	67	60	30
Against	9	10	17	5	11	7	48
No response	22	30	19	20	22	33	22

Are you for or against Great Britain's entry into the Common Market?

	G	B	N	L	F	I	GB
For	69	63	79	70	66	51	19
Against	7	8	8	6	11	9	63
No response	24	29	13	24	23	40	18

Are you for or against the election of a European Parliament by direct universal suffrage, in other words, a parliament elected by citizens in every member country?

	G	B	N	L	F	I	GB
For	66	56	59	71	59	55	25
Against	9	11	21	10	15	6	55
No response	25	34	20	19	26	39	20

Would you accept, above your own Government, a European Government, responsible for a common policy in foreign, defense, and economic affairs?

	G	B	N	L	F	I	GB
Yes	57	51	50	47	49	51	22
No	19	19	32	35	28	10	60
No response	24	30	18	18	23	39	18

In the event of the election of a President of the United States of Europe by universal suffrage, would you vote for a candidate of a different nationality than your own if his personality and program fit your ideas better than the candidates of your own nationality?

	G	B	N	L	F	I	GB
Yes	69	52	63	67	61	45	39
No	12	24	18	20	22	19	41
No response	19	24	19	13	17	36	20

Divergent Continental and British Views

The answers disclosed a considerable difference in the attitudes of voters in the Common Market and in Britain. The

majority of voters in the Common Market countries favored the political formation of the United States of Europe, the election of a European parliament by direct universal suffrage, and the formation of a European Government. Except in Italy, five to seven voters out of ten said they would vote for a President of the United States of Europe of a different nationality than their own. Great Britain's membership in the Community is favored by five to seven voters out of ten, except in the Netherlands where eight out of ten voters responded favorably.

By contrast, only 19 per cent of British voters now favor their country's membership in the Common Market, against 51 per cent in Italy and 79 per cent in the Netherlands. Rated from zero to 100 for pro-European attitudes, British responses were 30 points below the least pro-European Common Market country. Only for the question about the election of a foreign president was the gap narrower: 39 per cent favorable in Great Britain, against 45 per cent in Italy, and 69 per cent in Germany.

Common Market Replies Similar

The second noticeable result of this poll was the similarity of the answers given by voters in the Common Market countries. The nearer the countries, the less the percentage variations: in samplings of 1,200 to 2,000 persons, such variation was 2-3-per cent.

The only significant differences between the Common Market countries lay in the relatively stronger Dutch support for British membership and on the hesitance of Italian voters to subscribe to the election of a foreign President.

Young Voters Most "European"

A breakdown of the results showed that

- by age, young voters are decidedly more enthusiastic about the unification of Europe than older voters in every country and for almost every question
- by sex, women seemed less pro-European than men, mainly because they answered "no response" more often
- by occupation, members of the professions and management more often expressed pro-European opinions than did blue collar workers or, especially, farmers.

By age, the following percentages of replies were in favor of European political unification:

	G	B	N	L	F	I	GB
18 or 21-34	74	58	65	72.5	65	60.5	36
35-64	64	59	58	63	60	53	29
65 and over	52	39	51.5	59	49	34	19

* Het Laatste Nieuws, covered Belgium and Luxembourg with the assistance of the International Research Associates (INRA). Magazin and Zweites Deutsches Fernsehen, covered Germany and West Berlin with the help of the Institut für Demoskopie, d'Allensbach. Paris-Match covered France with the help of the Institut Français d'Opinion Publique. Epoca covered Italy with the help of the DOXA Institute. De Telegraaf covered the Netherlands, with the help of the Instituut Weldkamp. The Daily Express covered Great Britain with the help of the Louis Harris Research Institute.

Monnet on Political Unity

"UNITED EUROPE IS ON THE WAY."

This article has been adapted from the transcript of Edwin Newman's interview with Jean Monnet for the National Broadcasting Company's "Speaking Freely," on February 8, 1970. No part of this television interview may be reproduced without the written permission of the National Broadcasting Company, Mr. Monnet, and Mr. Newman.

NEWMAN: *Is a United States of Europe more than a dream?*

MONNET: The United States of Europe began with a dream, but today it is happening. The dream may belong to a few people, but the mass of people are pushed by necessity. The United States of Europe are too small to have by themselves the resources that the United States or Russia have. To solve some of their economic problems, they must unite. The best partner of a united Europe is necessity.

NEWMAN: *Are there natural boundaries to this United States of Europe?*

MONNET: I wouldn't put it in terms of boundaries. The limits of states of Europe are determined by the fact that certain nations accept the same rules and the same institutions as the others. The frontier is a consequence of the acceptance by the citizens of the same rules and the same institutions, and of a common background. The necessity of extending these limits is clear, but these limits are determined not by us, or anybody, but rather by the willingness of the people to accept the same rules, as within one country.

NEWMAN: *Mr. Monnet, there is, I think, some cynicism about the movement toward a European political union, or a United States of Europe. Has real progress been made?*

MONNET: Some people do take a cynical view, but with many other people it's impatience. I personally think this European Community will result from constant, progressive changes, from the states in which the nations are, into what in time will be a community, political as well as economic. To accept rules governing their political attitudes, people have to feel they have a common interest. If there is no common interest, a political authority cannot be created in the abstract. The Common Market is only a customs union, but by creating an economic and monetary union, and seeking solutions for common problems, the need for a political authority will come. They're on the way. You can see for yourself what's happening in Brussels.

NEWMAN: *What brought you into the European union movement?*

MONNET: A person's actions often depend on his temperament. Nature has made me one way—the way I think, of the problem I have to solve and the way I think best to solve it. I have been convinced for a long time that the old forms of individual action were not enough. Your question brings back memories. When the war of 1914 began, both the French and the British were mobilizing, but each as if there were separate wars. It seemed silly to have the French and the British acting separately, so I suggested that they join together and act together. That seems a very big thing to say today, but at that time ideas were scarce, and those who governed nations were glad to have an idea. They pooled their resources, especially their ships. The Germans were sinking ships, and the great question for the suppliers in Europe and France was

whether or not they would have ships. Instead of the British giving ships to France, an organization was created, based on the principle of equal treatment. The amount of food, coal, and supplies of all kinds that the French would receive was determined by common agreement, and the ships to transport them were allocated by a transport council. I think my temperament pushes me in that direction.

NEWMAN: *Suppose one has such a temperament and says to himself, "I think there should be a United States of Europe." How does one go about attaining it?*

MONNET: My good fortune has been that circumstances brought about an association between events and myself: the thought that was natural to me, for joint action, was foreign to most people. As problems can only be solved by joint action, the Governments were willing to listen to me. I also said I was associated with events. After the first war, I was appointed Deputy Secretary General of the League of Nations. There I became convinced that action by nations could not be taken by good will only, that something more was necessary. That "something more" lay at the heart of the principles on which relationships between nations were built: national sovereignty. For joint action, nations had to delegate part of their sovereignty on specific points to European institutions. This is what was done in coal and steel and in the Common Market.

I had to leave the League of Nations for personal family reasons. Time passed. I was in business. When the last war came about, I felt I had to try to bring the French and the British into joint action, which I did. After Dunkirk, after the French Army was defeated, it became clear to me that if the French were to have hope in the future instead of being merely defeated, the French and the British had to join in common action. It was then, in 1940, that I suggested to Mr. Churchill that Britain offer France partnership, the same parliament, one state, one citizenship. It was too late, unfortunately. Mr. Churchill accepted the idea, but the French Government was changed. Marshal Pétain came to power, and it was finished.

The British appointed me a member of the British Supply Council, the official organization in Washington that supplied all that Great Britain needed to stay in the war. As a member of this Council, I was associated with the war effort and, when America came into the war, with the determination of arms supplies, I worked with Harry Hopkins, who was a close associate of President Roosevelt, and others. We drew up what was called the Big Three Program which the United States adopted after Pearl Harbor, and it probably made a great difference in turning the war. Then, I went to North Africa, where I was a member of the French Liberation Committee. All this associated me with great events and people in authority.

NEWMAN: *How much do individuals have to do with the forwarding of these great movements?*

MONNET: Individuals are always important, but the institutions which enable men to act are fundamental. Men are important in the changes; institutions are essential in maintaining the changes. For instance, the Schuman plan for coal and steel and the Common Market probably would not have



Jean Monnet on June 8, 1961, when Cambridge University awarded him an honorary degree.

taken place without the action of some individuals. There were changes: from national to European. Treaties were negotiated between the six nations and voted by parliament. Institutions to carry out these changes were set up. (It's interesting to see that institutions are necessarily conservative.) Change must come from the individual; maintenance must come from institutions, and difficulties disappear from the scene of creation to give room and place to those who will carry out.

NEWMAN: *You've raised what is to some people a fundamental point about the Common Market and all such movements: that institutions are necessarily conservative. Some people think that when you create something like the Common Market, you simply create another layer of bureaucracy.*

MONNET: I don't disagree completely, but I wouldn't put on this question the emphasis which you now put. People talk of bureaucracy as if it were an evil; it is a necessity. It's important to see that bureaucracy is kept within bounds, but you couldn't run public affairs without a bureaucracy, an organization of people that devote themselves to public good instead of individual good. That's what bureaucracy means. You see it every day in the difficulties they meet to surmount problems of change in industry, agriculture, and economic relations.

NEWMAN: *In the movement toward European political union, are you helped by the fact that Germany is divided?*

MONNET: You're asking a question that I never asked myself. Germany is unfortunately divided, but we have to act with the conditions as they are. I'm inclined to think it would not make a fundamental difference. If this Community works, as it is working, it is the result of each nation's strength and contribution. You must think in terms of the Community, not in terms of the various nations forming it. This Community is in the process of changing gradually this national notion so that if Germany were united, as one day I hope it will be, we mustn't think in terms of Germany as such, but of the contribution—greater if united or less if not—to a Community to which France and other nations bring their contribution—and England I hope.

NEWMAN: *Has there been a fundamental change in the relations between France and Germany?*

MONNET: I think so. I think so from talking with the French and from a recent poll (*see page 15*). Sixty per cent or more of the French people questioned were in favor of creating Europe and said they would rather have a non-French President if his program were better than the French candidate's. They didn't say, "We'd accept a President if he's not a German." They said, "We would accept a President who was not a Frenchman."

France and Germany are now inter-states of mutual action and understanding. A common interest has been built, and through it, gradually, a common view of their destiny. The thought of opposition, as I knew it before the war, doesn't come up anymore.

NEWMAN: *President de Gaulle was not a friend of European political union, but did he make a contribution to the new feeling between France and Germany?*

MONNET: I think he did. It's difficult to discuss de Gaulle at this stage. He is not an actor any more, and therefore it's not fair or appropriate to discuss him. While General de Gaulle was, by his own nature, opposed to the idea of delegating sovereignty, he was not opposed to the Common Market as such. He and some of his colleagues thought that France should not revert to the old times of protectionism and saw in the Common Market a protection against protectionism. To that extent, he contributed to the establishment of the Common Market and to good relations between France and Germany. Whether it had that effect or not, I think he thought that.

NEWMAN: *One of the great hopes in post-war Europe was a European army, a European defense community, which failed. The French parliament did not accept it. Was it a realistic idea at the time, and should we expect to see it again?*

MONNET: Not today, but some day, when the nations feel that their destiny is common, that all their interests are common. On the eve of a political union, the question of common defense will arise. We're on the road to unity; someday that question will have to be dealt with. When the proposal for a European army was defeated in 1954 by the French parliament, it was a sentimental feeling. They had accepted the idea of coal and steel and were on the way to economic integration. When the question of the European army was asked, they did not see a European army, but a German army which revived the feeling that they had been deeply hurt during the war. There was a reaction against the thought of a German army. I, for my part, very much regret this decision. It would have been far better if all the people of Europe had been in the same uniform.

NEWMAN: *Do you expect Britain to enter the Common Market?*

MONNET: Yes I do. The British need to come into the Common Market to have competition on a large scale. There is only one Common Market so that if Britain wants to adjust to modern conditions, she has to join it and give up the illusion of being able to solve her problems by herself. In 1950, when the Coal and Steel Community was put forward with the idea of getting those European nations together, I went to London with Robert Schuman. We asked the British to join but they would not. They said, "We will negotiate, but we will not accept the objective." The objective was the pooling of resources. The British were not convinced by our idea; they wanted to see whether it worked. We had nothing but the argument and the idea; we couldn't offer the vision of its working. The British need facts to convince themselves. I was convinced at that time that the day would come when, seeing it had succeeded, they would join. This day has come today. Now, when the British join, they will bring their resources, their capacity for invention and so on, and will strengthen the Community. They will strengthen it for still another reason: the British understand better than the Europeans (Continental, I mean) the value of institutions. Institutions are essential to them. Men are important, but they believe that men without institutions won't work. The British will bring that view to the Community. They will also bring a preoccupation with the part this European Community will play in the world.

The British have been used to thinking in world terms for so many years. Today they want to come into this Common Market not only for economic reasons but also because they think they cannot by themselves have a real influence in the world but that with Europe they can. They may want to Anglicise the Community, but the French are the same, and the Germans also. Something will emanate from this sort of competition.

NEWMAN: *Might political progress within the Common Market go faster without the British? Will it complicate the political task if they come in? And the Danes, and the Norwegians, and the Irish?*

MONNET: (Laughing.) I prefer to deal first with the British. That's difficult enough. Right now the British are outside, so they judge problems according to their own standards. The moment they're in, they will be a part of the Community, and the problems will be common problems and they will join in settling them. Britain's or anybody else's coming in will bring changes, thus difficulties, but it will make possible things that otherwise would not be.

NEWMAN: *The amount of American investment in the economy of Western Europe has alarmed some people who see in it the possibility, indeed the reality, of American domination. Does that worry you?*

MONNET: I don't think the Americans seek domination, but efficiency. However, it is also a fact, that the money being used by you to invest in Europe, comes mainly from Europe. At the same time, these investments are not all bad, because they create competition in Europe. Generally the feeling in Europe is not favorable to American investments as such, but it is an incentive to Europeans to increase their efforts to produce better, to compete with American production. The answer lies with the Europeans whether they will make the effort, with their intelligence, knowledge, and money, to create large companies, joining French and German, or French and Italian, instead of remaining purely national. Mergers will soon be across frontiers and will produce competition that you will have to take into account. That's good for you, too, because it will force you to make an effort.

NEWMAN: *What should the American attitude be toward a European political union, a United States of Europe?*

MONNET: The attitude of the United States Government so far has been in favor of a United States of Europe, but recently its expression of opinion has not been as vivid as it once was. I think your country will be in favor of Europe and of European integration if we march forward. Action will move you, not words. The American attitude will depend on us. Like everything else, we must make up our mind what to do ourselves, and the rest follows.

The creation of Europe is in the interest of the world. Peace will be helped by the creation of large units, dealing with one another as equals, and none of them as a superior. Competition must come not only industrially by mergers but also politically by the creation of large units. Europe is, I think, but one step toward the reorganization of the world along that line.

COMMUNITY NEWS

COMMON MARKET GETS SCHUMAN DAY MESSAGE FROM PRESIDENT NIXON

The President of the European Communities, Jean Rey, on May 8 in Brussels, received a message from President Richard M. Nixon supporting the "broadening and strengthening" of the European Community, on the occasion of the twentieth anniversary of the Schuman Plan Declaration.

The White House message coincided with observances being held in Brussels, capital of the Common Market, and elsewhere in the six-nation Community marking the anniversary of the declaration by Robert Schuman (see page 3.)

President Nixon said:

"... I reaffirm the full support of the United States for the renewed effort of broadening and strengthening the European Com-

munity. It is my hope that the remarkable strides of the past twenty years will be surpassed by future achievements and that Europe will play an even greater role in that task of overriding importance, the building of a secure and peaceful world."

President Rey replied:

"... My colleagues and I deeply appreciate the full support which the United States has always given to the efforts made to achieve European integration. They therefore realize the significance of your good wishes for the enlargement and strengthening of the European Community. On their behalf and on my own I thank you most warmly for this gesture of solidarity, which touches us very much at this particularly important point in our development."

BUSINESS IS BRISK BUT INFLATION LOOMS

Unemployment was low and the Common Market's economy was humming in early 1970, but inflationary pressures were growing, according to the Commission. At the same time, the Community's trade balance with non-member countries had deteriorated.

The Commission, in its first quarterly economic survey for 1970, released on April 24, also reported that the growth of real gross Community product from 1969 to 1970, at 5.5 per cent, would be higher than forecast in the last quarterly survey. It said that imports from non-member countries would soar in 1970 while exports would show only a modest rise.

Although business boomed, the rapid rise in overall demand slowed a little as demand from major non-member countries slackened and private consumption temporarily leveled off. Still, the slower pace of production growth was putting pressure on supply. The supply lag was due, among other things, to acute labor shortages, bad weather, and industrial disputes (particularly in Italy). Prices of both goods and services rose as a result of the pressure of demand and increased costs.

As the Community's balance on external trade declined, its capital account has showed heavy deficits, mainly due to massive outflows of capital from Germany following re-evaluation of the mark. Official gold and foreign exchange reserves, therefore, dropped sharply.

Outlook for the Remainder of 1970

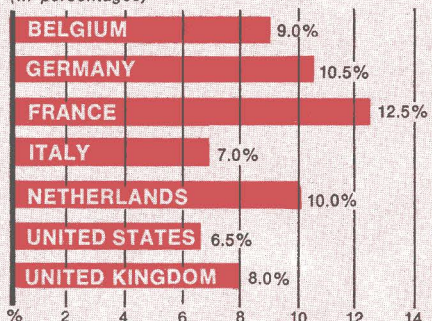
The Commission felt that the growth of external demand was likely to slacken further as the world's business climate continued to cool. Internal demand, in contrast,

may expand more vigorously than expected, especially in the first half of the year, the Commission said.

Private consumer expenditure, in particular, should rise appreciably, and investment activity was expected to remain at a high level. Thus, the Commission thought the expansion of demand would continue to outstrip possibilities for an increase in production, though in the second half of 1970 the gap between supply and demand might narrow. The deficit in the Communities' trade balance would continue to grow, despite an improvement in the terms of trade.

In short-term economic policy, the Commission stressed that the restrictive line to curb inflation, recommended by the Commission at the end of 1969, be continued. These recommendations included a call for stringent budget and tight monetary policies by the national governments, as well as development of economic and social policies to ensure balanced economic growth.

Increases in Industrial Wages 1969*
(in percentages)



* The survey excludes Luxembourg in view of the disproportionately high concentration of iron and steelworkers in the labor force.

DENIS DE ROUGEMONT GETS SCHUMAN AWARD

The 1970 Robert Schuman Award for distinction in promoting the "European" spirit was given to Denis de Rougemont on April 15, at the University of Bonn.

Mr. de Rougemont, director of the European cultural center in Geneva, has written many books and articles supporting the unification of Europe. Among his best known works on this subject are: *L'attitude fédéraliste*, *L'Europe en jeu*, and *L'Europe et sa culture*.

The Schuman Prize of 25,000 German marks (\$7,000) was created in 1966 by the Freiherr von Stein Foundation of Hamburg to honor the memory of Robert Schuman and to reward men, who like him, have made outstanding contributions to the cause of European unity. The other recipients of the award have been: Jean Monnet, chairman of the Action Committee for the United States of Europe and initiator of the Schuman plan for pooling coal and steel; Joseph Bech, who, as Luxembourg Prime Minister and Minister for Foreign and External Affairs, signed the Rome Treaties creating the European Economic and Atomic Energy Communities (EEC and Euratom) for Luxembourg and in 1958 belonged to the EEC Council of Ministers; Sicco L. Mansholt, the architect of the Common Market's farm policy, and Walter Hallstein, president of the EEC Commission from 1958 until 1967, when it was merged with the executive bodies of Euratom and the Coal and Steel Community.

BIGGER QUOTAS OFFERED PAKISTAN AND INDIA FOR COTTON TEXTILES

Large increases in the European Community's import quotas for cotton textiles have been offered India and Pakistan.

During talks, in Brussels, with India on April 21-23 and with Pakistan on April 21-22, the Commission made these offers. The discussions were preparatory to the renegotiation later this year of the Long-Term Arrangement Concerning Trade in Cotton Textiles originally negotiated in 1962 under the auspices of the General Agreement on Tariffs and Trade (GATT) and renewed for three years in 1967. The textile agreement was designed to promote orderly growth in trade in cotton textiles, an important export for most developing countries.

Problems relative to the Community's agreement with India on jute and cocoa were also discussed with the Indian delegation.

STRICT ANTI-POLLUTION RULES FOR MOTOR VEHICLES

The European Common Market, following in the steps of the United States, has enacted strict rules to fight air pollution caused by motor vehicles.

The European Communities Council of Ministers on March 20 adopted three directives affecting the motor industry. The first, and most important, dealt with measures to control air pollution by exhaust fumes from internal combustion engines; the second, specifications for fuel tanks and rear bumpers; and the third, the positioning of rear license plates.

These directives supplement those adopted February 6 on the harmonization of regulations governing motor vehicle components, mechanical specifications, and permissible levels of exhaust noise. As a result of these five directives, a strong start has been made towards harmonizing member states' laws covering the motor industry and ensuring free movement of vehicles in the Community. Technical barriers, which are similar to customs barriers, are thus also disappearing. In addition, the Council has before it measures concerning steering, ease of access and exit, horns, turn signals, and brakes.

Standards Fitted to European Cars

The directive on air pollution by gasoline engines was sought to forestall the enactment, or the coming into force, of a number of national laws in the member states, whose differences would have caused serious obstacles to trade in motor vehicles.

The Council adopted European methods of air pollution measurement, rather than the American, after comparison of the operating cycles and standards used as measurement showed that the European procedures were more suitable for European conditions. The American cycle is based on the use of the large cubic capacity American vehicle on American urban road systems, neither of which resemble what is found in Europe. The power:weight ratio of European mass-production vehicles is lower than American vehicles' and does not allow compliance with the necessary acceleration conditions for the American cycle. The American regulations are meant for a much more homogeneous range of vehicles than exists in Europe and apply primarily to the unburned hydrocarbons, while in Europe the emphasis is on cutting down carbon monoxide exhaust. Other technical considerations also influenced the Council's choice.

The directive specifies three types of test that vehicles must pass:

- One monitors the average toxic gas exhaust in a congested urban area after starting from cold.
- The second measures carbon monoxide

exhaust when the engine is idling (it may not exceed 4.5 per cent of the total exhaust gasses).

- The third test measures crankcase exhaust fumes.

The directive also allows for prompt revision of the requirements in the event of new technology.

SIX WARNED TO SPEED UP RATIFICATION OF NEW YAOUNDE CONVENTION

Any further delay in ratifying the new Yaoundé Convention could have serious political repercussions on the European Community's relations with its African associates, the Commission has warned, since it will endanger the continuity of development aid to the Eighteen.

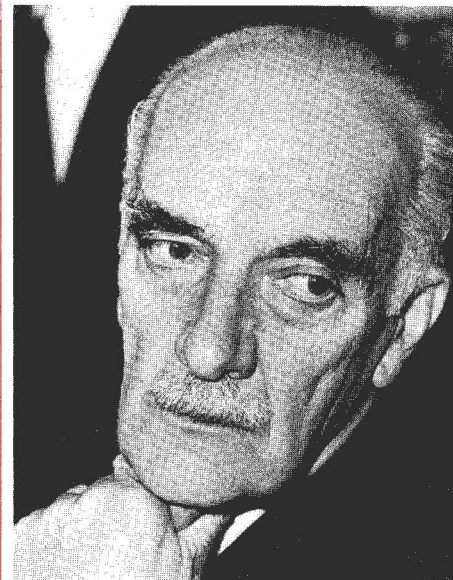
When the new Convention was signed last July 29, the ratification process was expected to take a year during which unused aid funds from the first Yaoundé Convention were to be carried over. However, these funds are nearly exhausted, and the \$1 billion to be provided under the new Convention does not become available until the ratification process has been completed. As of May 6 only France, of the Six, had ratified the Convention, while 14 of the African associates had done so: Rwanda, Central African Republic, Mali, Burundi, Gabon, Togo, Ivory Coast, the Malagasy Republic, Mauritania, Niger, Dahomey, Cameroon, Upper Volta, and Chad.

As a result of this delay, the Commission decided at its April 14-15 meeting to suggest to the Council of Ministers that the Community arrange a \$6-million, "stop-gap" fund, covering the costs of: feasibility studies for projects to be financed with the new aid money; helping the Africans to participate in trade fairs, and paying for African training programs. However, during this interim period, to new investment projects could be authorized.

The Commission said the \$6 million could be taken from the Community's 1970 and 1971 budgets and from a reserve fund provided by the first Yaoundé Convention. This "stop-gap" expenditure would be reimbursed from the funds to be provided by the new Convention.

FRANCE IS FIRST TO RATIFY ARUSHA AGREEMENT

France on April 14 ratified the association agreement between the European Community and Tanzania, Uganda, and Kenya, signed at Arusha on September 24, 1969. France is the first state to do so.



Guido Colonna di Paliano

COLONNA RESIGNS COMMISSION POST

Guido Colonna di Paliano, Commission member with special responsibility for industrial affairs, resigned in May, to assume the presidency of Italy's largest chain of department stores, La Rinascenté.

Mr. Colonna supervised the preparation of the Commission's recent memorandum on industrial policy (*see European Community No. 133, page 4*). He joined the Community in September 1964 as a member of the European Economic Community Commission, responsible for internal market affairs. He held this post until July 1967 when the executive bodies of the EEC, the Coal and Steel, and Atomic Energy Communities merged and he became a member in the new, single European Communities Commission.

The vacancy left on the Commission by Mr. Colonna's resignation will not be filled, in view of the reduction, to nine members, to be made this July. In the interim, Lionello Levi Sandri, a Commission Vice President, will take over Mr. Colonna's responsibilities.

MORE FRUIT IN FRUIT DRINKS PROPOSED

Fruit drinks marketed in the European Community should contain at least 10 per cent pure fruit juice, according to a proposal made by the Commission on April 15.

Germany requires a 6 per cent minimum pure fruit juice content; the Netherlands, 10 percent, and Italy, 12 per cent. France, Luxembourg, and Belgium have no legislation in this area.

PREFERENTIAL ACCORDS ARE COMPATIBLE WITH GATT

The European Community's policy of association and preferential trade agreements is compatible with the General Agreement on Tariffs and Trade (GATT), the Commission said in a memorandum submitted to the Council of Ministers on April 16.

The memorandum was an attempt to clarify the Community's policy in this area and thus allay fears expressed by the United States and other industrialized countries that the "proliferation" of these agreements could jeopardize the GATT's most-favored-nation clause. According to this clause, each GATT member agrees to extend all other GATT members the most favorable tariff treatment granted to any one of them.

"Preferential" Trade Negligible

In general, the Commission confirmed that the Community intends to abide by GATT provisions. It now does 90 per cent of its trade in full observance of general GATT rules. The Commission also said that the Community intends to limit its preferential policy to agreements with:

- European countries that cannot become members of the Community (such as neutral Austria)

- developing African countries (already associated, or which wish to become associated with the Community)
- countries on the Mediterranean basin, with economies similar to countries that had "special links" with one of the Six before the Common Market Treaty was signed (such as Algeria, Morocco, Tunisia, and Libya). The Commission said it would be politically and economically impossible for the Community to refuse other Mediterranean countries the treatment granted to the countries covered by the protocols annexed to the Rome Treaty. In practice, only the United Arab Republic, Israel, and Lebanon are affected.

Previous Links Recognized

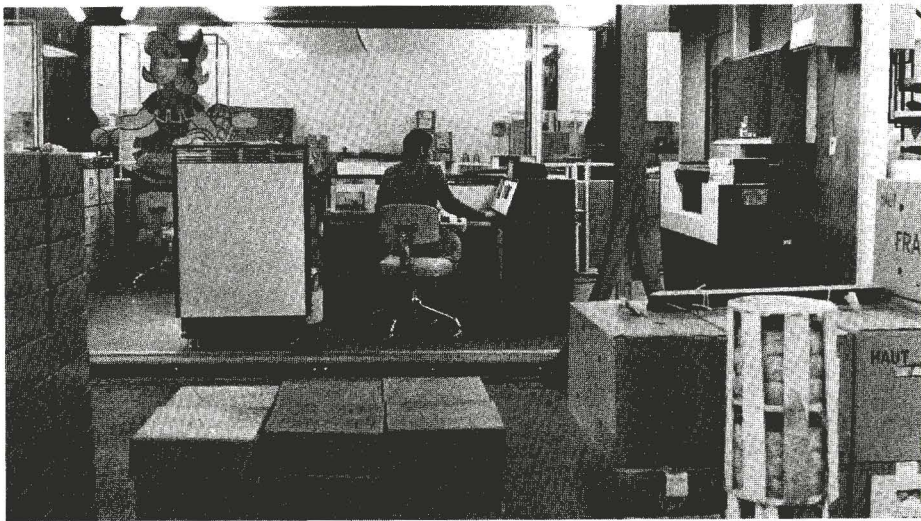
The Community's preferential policy merely recognizes and puts into a Community context the special links that individual member countries had when the Common Market Treaty was signed. A refusal to grant preferential agreements to these other countries would constitute discrimination, the Commission said. It also stressed that none of these agreements had prejudiced the Community's trading relations with other countries.

EUROPEAN PATENTS CONFERENCE ADJOURNS

The Inter-Governmental Conference for the creation of a European system for granting patents will hold its fourth meeting in Luxembourg on April 21-30, 1971.

Its last meeting, April 21-22, was devoted to hearing the views of non-governmental international organizations about the main problems connected with the proposed European patent system. Before adjourning, the Conference agreed that a second such meeting should be arranged.

The following non-governmental organizations participated in the last meeting: the International Chamber of Commerce, Paris; the Committee of National Institutes of Patent Agents, Eindhoven, the Netherlands; the Council of European Industrial Federations, Paris; the European Industrial Research Management Association, Paris; the International Federation of Councils on Industrial Property, Paris; the International Association for the Protection of Industrial Property, Zurich; the International Federation of Inventors Associations, London, the Union of Industries in the European Community, Brussels, and the Union of European Patent Agents, Düsseldorf.



Computers keep track of shipments at the new Rungis food market. PHOTO: Courtesy Compagnie Bull General Electric, Paris.

EIB'S LOAN TO NEW PARIS FOOD MARKET

The European Investment Bank in April lent \$15 million to Semmaris, a semi-public French company in charge of Paris' new food market at Rungis, near Orly airport. This market replaces *Les Halles* the old food market in the congested center of the city.

The loan will help the company finance a \$57-million plan to create an international trade center at Rungis. Although the Bank rarely helps developed parts of the Com-

munity, such as the Paris region, and has not financed any trade projects, it decided to make the loan in the belief that the project will help to modernize the marketing of produce, thus indirectly aiding French farmers and stimulate Community trade in farm products.

The loan will help pay for marketing halls, offices, electronic equipment for collecting, processing, and transmitting information internationally.

FREE ESTABLISHMENT FOR SELF-EMPLOYED TRANSPORT

Three draft directives on freedom of establishment for self-employed activities in road haulage, passenger transport by road, and goods and passenger transport by inland waterway have been sent to the European Communities Council of Ministers.

Adopted by the Commission on March 20, the proposals are intended to eliminate nationality as a basis of discrimination by providing for mutual recognition of credentials concerning good character and integrity, financial standing, and professional competence.

The Council of Ministers, at its April 21-22 meeting, agreed to consult the European Parliament and the Economic and Social Committee about these draft directives.

EIB LOAN FOR ITALIAN HIGHWAY EXTENSION

The European Investment Bank has made a \$15-million loan for the construction of another 28 mile section of the Italian Riviera motorway. Total cost of completing this section is estimated at \$163 million. In 1968 the Bank made a \$16-million loan for a section linking the Franco-Italian border with San Remo.

MAY IS THE STORK'S BUSIEST MONTH

May is the stork's busiest month in the Six, say the Community's statisticians.

In May 1968 there were 273,908 births compared with a monthly average of

258,900. August was the most popular month for marriages in the Community: 163,409, as against a monthly average of 113,900.

MARRIAGES AND BIRTHS IN THE COMMUNITY (1968)

Country	Monthly Average		Most Popular Month	
	Marriages	Births	Marriages	Births
Germany	37,000	80,700	Aug.: 64,365	May: 86,516
France	29,800	69,500	July: 45,300	May: 75,100
Italy	31,300	77,600	Sept.: 56,713	Jan.: 85,048
Netherlands	9,800	19,800	Dec.: 23,018	May: 21,214
Belgium	5,800	11,900	July: 11,886	May: 12,886
Luxembourg	200	400	May: 323	May: 434
Community	113,900	258,900	Aug.: 163,409	May: 273,908

EUROPEAN UNIVERSITY IDEA REVIVED AGAIN

The idea of creating a European university was again revived on April 9 when the European Communities Commission released a memorandum on this subject to the Council of Ministers.

In the memorandum, the Commission suggested that the Council devote one of its meetings to discussion of the gradual creation of: European university teaching establishments; a European higher education committee which could confer the title of "European" institute on qualified academic bodies, and machinery to harmonize teaching programs and promote mutual recognition of degrees and diplomas.

At The Hague summit last December, the Six "reaffirmed their interest in the establishment of a European university." The Italian Government acquired a site for the university in Florence some time ago, after the idea was first raised. However, the plan has made little headway, partly because educators themselves are divided over its merits.

TEXTILE TAX DISPUTE

France has challenged, in the Community Court of Justice, the Commission's decision of July 1968 that a French tax of 0.20 per cent on textile sales was an infringement of the Rome Treaty ban on state aids. Proceeds from the tax have been used to modernize the French textile industry.

France says the Treaty empowers the Commission to call for abolition or modification of state aids but not to contest the way an aid is financed. The Commission claims that the aid and the way it is financed are interdependent and that the aid is distorting competition.

ALGERIA SEEKS TRADE TALKS WITH THE SIX

Algeria's Foreign Trade Minister Layashi Yaker visited Brussels in March to discuss the possibilities of negotiating a comprehensive trade agreement with the Community.

Partial association agreements between the Community and Algeria's two Maghreb neighbors, Tunisia and Morocco, were signed last year. The Six have also agreed, in principle, to a preferential trade pact with the United Arab Republic.

CONCESSIONS FOR IMPORTS OF "SENSITIVE" AFRICAN FARM PRODUCTS

The Six have worked out an improved import system for agricultural products from the 17 African associated states and Madagascar which are identical or competitive with Community farm products.

Under the second Yaoundé Convention, associating the Eighteen with the Community, these "sensitive" products were excluded from the free-entry arrangements negotiated for other products (as was the case under the first Convention). The Community did, however, pledge to grant these products more favorable treatment than that accorded products imported from elsewhere.

The new system was brought into effect on April 1 (for rice the date is June) although the Convention has not yet been ratified by all signatories. The main products involved are rice, and processed products with bases of fruit, vegetables, and various grains. Sugar has been excluded from the concession, but the Commission has proposed duty free entry for tobacco when the Convention comes into force.

LEVI SANDRI HAILS LABOR SUPPORT OF EUROPE

Lionello Levi Sandri, in a message on Europe's "Labor Day," May 1, called upon labor unions in the European Community to continue their strong support for the unification of Europe.

Mr. Levi Sandri, a vice president of the Commission with special responsibility for labor and social affairs, said that only if workers and the political and labor organizations representing them steadily pursue the construction of a united Europe will it be possible to create the new and modern society that Europeans want.

A EUROPEAN DRIVER'S LICENSE TO IMPROVE HIGHWAY SAFETY

To stop the rapid decline of highway safety in the European Community, The Commission plans to propose harmonization of the requirements for driver's licenses, which now vary widely. The most stringent existing national requirements would be made the Community standard. Mutual recognition of permits issued by other members would be the final objective.

The Commission made this announcement on April 14 in answering a written question from Pierre-Bernard Cousté, French Gaullist member of the European Parliament. Highway fatalities had reached epidemic proportions in Europe, Mr. Cousté pointed out. In France alone, he said, they were responsible for half of all male deaths in the 15-20 year-old age group.

The Commission also stressed the value of driver training, pointing out that the Community's regulations on road transport set a minimum age for truck and bus drivers and provide for minimum training requirements. The specific minimum training requirements are now being worked out, the Commission said.

ITALY LOWERS IMPORT TAX RATES UNDER TVA

Italy has informed the European Communities Commission that it has reduced the maximum rates of export refunds and import taxes levied as part of that country's turnover tax system.

Italy pledged to reduce these rates last December when the Council of Ministers authorized postponement until January 1, 1972, of the introduction of the Community's common turnover tax system, the tax on the value added (TVA) at each stage of production and distribution up to the retail level. The original compliance date was to have been January 1, 1970.

FRANCE DROPS SPECIAL RATE FOR EXPORT LOANS

France in April abolished the practice of lending exporters money at a preferential rate, following a Community Court of Justice ruling in December 1969.

The Court had upheld a Commission plea that the reduced rate constituted an export aid and was therefore contrary to the Rome Treaty. It turned down the French claim that the Commission's action infringed French national sovereignty in monetary matters. The Court recognized that member states retained responsibility for ensuring the stability of their balance of payments, but said that the Community institutions' powers of authorization and intervention would be pointless if member states could unilaterally ignore provisions of the Rome Treaty.

TALKS START WITH MALTA

A first round of negotiations between Malta and the European Community was held in Brussels on April 7, 1970. They will be resumed on June 2. Malta, an independent sovereign state with a population of 330,000, is an island in the Mediterranean between Sicily and Africa with traditional trade links with Britain.

The Maltese Government applied for the opening of negotiations with the Community on September 4, 1967. Talks on this application were held between the Commission and the Maltese Delegation on October 21-23, 1969. On the basis of a report from the Commission, the Council decided on the opening of negotiations at its meeting on March 6, 1970.

WORKERS' PARTICIPATION SOUGHT IN EUROPEAN FIRMS

Legal provision for workers' participation in the management of future "European" companies was formally demanded on April 14, when a delegation of the European Confederation of Free Trade Unions called on the European Communities Commission.

For some years, the Commission has been trying to promote a European company statute which would enable Community firms wanting to merge across frontiers to overcome existing tax and administrative obstacles. The Confederation, which represents 12 million workers in the six member countries, proposed the safeguarding of workers' interests by allotting one third of the companies' board seats to union representatives and providing for a supervisory council, half of whose members would be union representatives.

AUTOMATIC COUPLERS FOR EUROPEAN RAILROADS?

Automatic couplers on railroad cars would improve on-the-job safety of rail workers, reduce operating costs, and expedite the flow of rail traffic within the European Community and between the Community and other European countries.

For these reasons, the Commission on April 20 invited the Council of Ministers to make a decision about the eventual use of automatic couplers on their rolling stock and about undertaking joint studies of the costs, financing, and other aspects of the question. November 30, 1970, was suggested as the target date for completing these studies.

"PATE DE FOIE" IS NOT "LEBERPASTETE"

French *pâté de foie* is not necessarily *leberpastete* in Germany, the Commission has ruled. It said that because of varying German and French quality standards for meat products, the German authorities are entitled to prohibit French liverpaste manufacturers from labeling their exports to Germany *leberpastete* if they do not conform to German standards. This distortion of trade will only be eliminated when harmonized Community standards are introduced, according to the Commission.

FOOD AID GIVEN TO TURKEY AFTER EARTHQUAKE

The European Community will give Turkey 10,000 metric tons of rye and 10,000 tons of wheat as emergency food aid, following the earthquake on March 28-29.

The agreement was signed in Brussels on May 6. The gift will be made from the Community's 1969/70 and 1970/71 food aid programs.

At a meeting of the Council of Ministers in Luxembourg on April 21-22, it was decided to supply India with 1,100 tons of skim milk under the Community's agreement with the International Red Cross.

BARRE: FIXED EXCHANGE RATES ARE NECESSARY

Raymond Barre, Commission Vice President of the European Communities, said in London on April 7 that Britain and other applicants for Community membership would have to accept fixed exchange rates as part of the Community's program for achieving economic and monetary union.

Mr. Barre also said the enlargement of the Community should be achieved regardless of the price.

RECENT BOOKS ON COMMUNITY TOPICS

EUROPEAN COMMUNITY periodically lists books dealing with Community and Atlantic topics. This presentation does not indicate approval or recommendation of these publications.

The International Corporation: With an Epilogue on "Rights and Responsibilities". By Sidney E. Rolfe. The International Chamber of Commerce, Paris, 1969, 202 pages including statistical annexes.

A background report on the internationalization of production, prepared for the XXIIInd Congress of the International Chamber of Commerce, in Istanbul, May 31-June 7, 1969.

The author points out that the internationalization of production by large international corporations is not a new phenomenon. Contrary to popular belief, it is not a purely "American Challenge" but rather an international one: in 1966 assets of other countries in foreign countries amounted to \$35 billion, as compared with similar American holdings of \$55 billion.

Profitable operation is the motive of the international corporation, but a by-product of its operations is to further economic integration by extending the factors of production across national borders. In the process, it has not killed small and local business. The internationalization of production is likely to increase in coming years, the author concludes.

Beyond the European Community. By Franz A. M. Alting von Geusau. The John F. Kennedy Institute, Center for International Studies. A. W. Sijthoff, Leyden, the Netherlands, 1969, 247 pages with index.

An examination of the reasons for the European Communities' crises of the Sixties.

The author believes these crises originated in traditional and legalistic federal thinking. He evaluates the Communities' performances as supranational organizations, as trading partners of other European countries, members of the General Agreement on Tariffs and Trade, and as a nucleus for political union and common defense. The author concludes with suggestions for reappraising European integration in the Seventies.

The International Market for Foreign Exchange. Edited by Robert Z. Aliber. Frederick A. Praeger, New York, Washington, London, 1969, 272 pages.

This volume, published in cooperation with the University of Chicago's Graduate School of Business, is based on a conference held in March 1967 at Ditchley Park, England. The

conference brought together members of the academic community interested in foreign exchange transactions and members of the banking community with operational rather than analytical skills.

Some of the unique aspects of foreign exchange transactions are examined, particularly the explicit and implicit costs encountered in this field of international business, and the best means of organizing and super-
vising foreign exchange markets.

International Policy for the World Economy.
By J. O. N. Perkins. Frederick A. Praeger, New York, Washington, 1969, 232 pages with index.

An examination of needed reforms in international monetary arrangements as indicated by recent crises.

The author emphasizes the importance of international monetary reforms within the context of other main areas of international economic cooperation. He examines the interaction of domestic programs for achieving full employment and their effects on the balance of payments, the effects of efforts to promote trade by reducing obstacles, and policy toward capital flows and economic aid.

The Proposal for a European Company.
By Dennis Thompson. Chatham House/Political and Economic Planning, London, 1970, 73 pages.

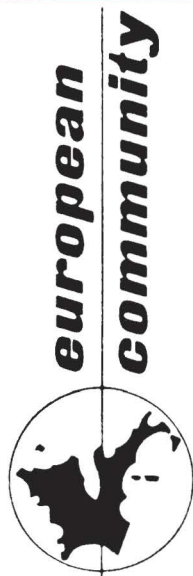
History of the draft statute for a European company law.

The author explains why national laws have prevented companies in the European Community from growing large enough to take full advantage of their countries' increasing economic interdependence.

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