

JULY 1973 NO. 167

Public Opinion

U.S. PLAY LEADING ROLE ABOARD
OF TIES WITH WESTERN EUROPE
WESTERN EUROPE COMPARED TO 10 YEARS AGO
RELATIONSHIP WITH GREAT BRITAIN COMPARED WITH 10 YEARS AGO

OCCUPATION	REGION			
	EAST	MID-WEST	SOUTH	WEST
TOTAL	1831 100.0	512 100.0	496 100.0	319 100.0
PROF & BUS	436 100.0	167 100.0	735 100.0	95 100.0
CLER & SALE	177 40.6	94 56.3	430 58.5	51 53.7
MANUAL	230 52.8	69 41.3	248 33.7	35 36.8
FARMERS	29 6.7	2 4	57 7.8	9.5
NON-LABOR	129 29.7	202 63.1	270 53.6	202 63.1
EAST	504 100.0	194 38.5	39.1 7.9	26 9.7
MID-WEST	512 100.0	286 55.9	200 39.1	263 51.4
SOUTH	496 100.0	185 37.3	167 33.5	121 24.4
WEST	319 100.0	83 26.0	145 45.4	183 57.4

LIBRARY

SHOULD U.S. PLAY LEADING ROLE
STOP GETTING INVOLVED
PLAY LEADING ROLE
DON'T
IMPORTANCE OF TIES
MATTER A GREAT DEAL
IMPORTANT
SAY
COMPARED WITH 10 YEARS
AS CLOSE
ABOUT SAME
DON'T KNOW
RELATIONSHIP WITH BRITAIN
AS CLOSE
NOT AS CLOSE
NO OPINION
NUMBER OF INTERVIEWS

AGE	INCOME				EDUCATION	
	\$14999	\$15000	\$5000	\$5000	COLL. SCHOOL	HIGH SCHOOL
TOTAL	1831 100.0	866 100.0	965 100.0	488 100.0	656 100.0	667 100.0
18-29 YEARS	275 15.0	150 17.3	125 13.0	88 18.0	98 14.9	87 13.0
30-49 YEARS	483 26.4	228 26.3	255 26.4	148 30.3	190 29.0	139 20.8
50 YEARS & OVER	598 32.7	285 32.9	313 32.4	152 31.1	208 31.7	231 34.6
MALE	866 100.0	460 53.1	405 47.2	269 61.7	297 68.1	392 89.1
FEMALE	965 100.0	406 42.1	559 57.9	219 22.8	262 24.2	252 25.2
UNDER \$5000	333 100.0	111 33.3	163 48.9	78 23.4	79 23.1	111 33.3
\$5000-\$9999	333 100.0	111 33.3	163 48.9	78 23.4	79 23.1	111 33.3
\$10000 & OVER	333 100.0	111 33.3	163 48.9	78 23.4	79 23.1	111 33.3
COLL. SCHOOL	445 100.0	152 34.1	207 46.3	81 18.2	85 19.1	164 36.8
HIGH SCHOOL	997 100.0	214 21.5	270 27.1	120 12.0	120 12.0	233 23.3

FOR OR AGAINST UNIFICATION OF EUROPE
OR SORRY IF COMMON MARKET SCRAPPED
U.S. & COMMON MARKET KEEP PRESENT IMPORT TAXES

EUROPE
FAVOR
FAVOR
AGAINST
AGAINST

CITY ST
1 MILL & OVER
32
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29.2
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27.2
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27.0
233
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40.4
224
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81
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286
56.3
286
55.9
275
55.4
TABLE
HIGH SCHOOL
997
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128
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277
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49.9
21
2.1
4.7
4.7
164
16.4
36.9
36.9
8
0.8
8.5
8.5

CONTENTS

- 3 Community News**
- 8 How Americans Rate the Community**
The Gallup polling organization interviewed more than 1,000 persons across the United States to determine what the average American thinks of the European Community.
- 13 US Policy Toward Europe** *Leonard B. Tennyson*
The Director of the European Community Information Service in Washington reviews US-European relations in the past two decades and makes some predictions about the future.
- 15 "Year of Europe": A Mid-Year Report** *David Fouquet*
A former American journalist now working for the EC Commission utilizes his dual point of view to file a progress report on recent EC-US developments.
- 18 The Europe-America Conference** *Gerhard Mally*
Four hundred Americans and Europeans went to Amsterdam last March to attend a conference, billed as the largest nongovernmental gathering of its kind, to discuss the new roles of the Community and the United States and their future relations. A conference rapporteur gives an overview.
- 20 Partnership, Not Association**
Yaoundé II, associating 19 African countries with the Community, expires on January 31, 1975. The EC Commission hopes the new association will be based on true partnership.
- 23 Book Reviews**
- 24 Publications Available**

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Agricultural Ministers Decide on Farm Prices and Aid

"Anyone who is not totally confused must be thoroughly misinformed," a Brussels bureaucrat was heard muttering after the 50-hour session during which the nine EC nations wrestled with and finally decided on European farm prices for the 1973-74 season.

Another Common Market official called it a "monster marathon." Despite differing national viewpoints and complex problems demanding equally complex solutions, the nine agricultural ministers finally agreed on a package compromise, including farm prices, incentives for beef production, and aids for hill farmers.

The Council of Ministers' decisions came on the morning of May 1, more than six weeks after the Commission had submitted its original proposals on farm prices. At that time, the Commission had suggested an average price increase of less than 3 per cent and a linkage between farm price increases and the gradual elimination of compensatory amounts. Compensatory amounts are the complex border adjustments—charges and rebates on intra-Community farm imports and exports—which had to be established after the monetary disruptions of recent years to maintain a common agricultural price system throughout the Community. The Commission had hoped the Council would agree to raise prices by different amounts in each country to take into account member states' exchange rate changes and therefore eliminate the need for much of the compensatory amount system. Rather than the average 2.76 per cent increase, prices in the Benelux countries and Germany (whose currencies have revalued) would have remained unchanged with some exceptions, and prices would have been raised in Italy, Britain, and Ireland (whose currencies have depreciated) by an average of 4 per cent, according to the Commission's original proposal.

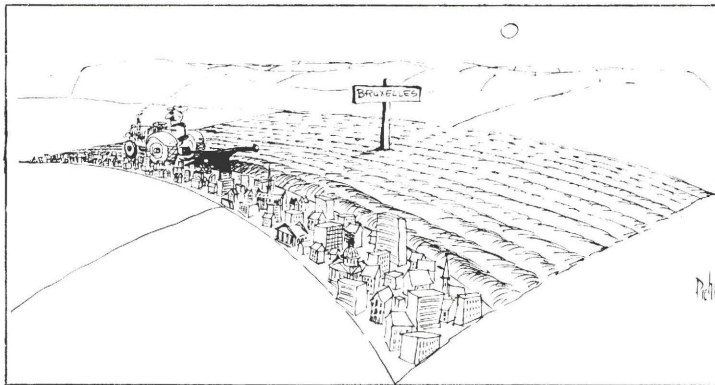
FINAL DIFFERS FROM ORIGINAL

The final compromise rejected more of the Commission's original proposal than it retained. Its main points were: The price of milk will be raised by 5.5 per cent in all countries except in the Benelux and Germany, where it will be raised only 4 per cent; the price of beef by 10.5 per cent; that of grains by 1 per cent (except rye, 6.5 per cent); pork by 4 per cent, and veal by 7.5 per cent. For the remaining goods, increases will be 1 per cent, except for olive oil (10 per cent), fruits and vegetables (7.5 per cent), and certain kinds of red table wine (3 per cent). Italy agreed to increase prices an additional 1 per cent to compensate partially for the lira's depreciation.

The Commission had recommended an 11 per cent decrease in the price of butter after its sale of 200,000 tons of surplus butter to the Soviet Union at a low price had raised a public outcry across Europe. The Council lowered the butter price by 5.5 per cent and authorized member states to subsidize butter consumption by up to 10 per cent of its price, with the EC farm fund bearing 50 per cent of the subsidy's cost. The Council also authorized lower buying-in prices for butter in the three new member countries than in the Community as a whole. The price for powdered milk was increased by 22 per cent.

HILL FARMERS TO BE AIDED

After discussing whether to aid farmers in hilly regions, the Council passed a resolution committing the Community to decide by October 1 on details of an aid program for farmers in underpopulated and poorer areas. The ministers agreed that Community funds must be available to encourage farming and improve farmers' incomes in "certain poorer areas." Member states will be responsible for drawing up lists of areas in their own countries where aid is needed. De-



Picha, The Special, Brussels. Ben Roth Agency

isions on areas eligible for EC aid will then be made on a Community basis.

The premiums to encourage beef production were the least controversial parts of the package agreement. Premiums will be granted to farmers who convert

their dairy herds into meat production and to farmers who decide to begin or to continue raising cattle for meat production. The Council hopes its decision will help eliminate both the milk surplus and the beef and veal shortage in the Community.

Farm Report Cites Recovered Funds, Annual Expenditures

The Community has so far recovered more than 8 million units of account (one UA equals one 1970 dollar) irregularly paid by the European Agricultural Guidance and Guarantee Fund in 1971-72.

In its first annual report on the functioning of the Fund, the Commission said member states notified it of 34 irregularities for 1971; 20 cases have been settled, leading to the recovery of more than UA 8 million. The cases pending involve almost UA 510,000. For 1972, the Commission has so far recovered UA 22,000 covering 25 cases; in 15 other cases it is seeking to recover UA 28,000.

The report, made public in April, said payments from the Fund's Guarantee Section amounted to UA 1.6 billion in 1971. This amount, which covers the total cost of all market support measures for farm products in the Community, was 30 per cent below the budget estimate because high market prices made official intervention less necessary than anticipated.

The main areas of expenditure were milk products (36 per cent), cereals (30 per cent), oils and fats (7 per cent) and sugar (7 per cent).

In 1971, the Community introduced its "independent resources" system, whereby all levies on agricultural imports and an increasing proportion of customs duties are paid directly into EC funds. Under this system, advances are made to member countries on the basis of their expenditure estimates. Accounts are settled when actual expenditure is known. The Fund's main beneficiaries in 1971 were France (38 per cent), Germany (25 per cent), the Netherlands (17 per cent), and Italy (14 per cent).

The report included a balance sheet for the Fund from its founding in 1962-63 up to 1970. Over this period, France received UA 913 million more than it paid in, and the Netherlands had a net benefit of UA 406 million. Germany has been the biggest contributor, receiving UA 804 million less than it has paid in, followed by Italy at UA 360 million and Belgium at UA 148 million.

COMMISSION ADOPTS BLUEPRINT FOR EUROPEAN UNION

No one in Brussels, despite journalists' proddings, wanted to define the "European union" which EC member states had said they intended to form by 1980, at last year's Paris Summit. Today, the blueprint for European union is ready for inspection.

The new 13-member Commission, in a burst of activity after taking office in January, has prepared guidelines for future Community action in such vital areas as economic and monetary, regional, social, environmental, energy, and industrial policies. The Commis-

sion's proposals and suggestions, submitted to the Council of Ministers for action, will be the launching pad from which the member states will seek to create an economically dynamic and stable Community with greater social justice, fewer regional imbalances, a solid industrial base, and a clean and healthy environment. Action on the Commission's guidelines will give the next Community Summit, likely to be held in 1976, a clear idea of how it should prepare the final thrust toward 1980. Economic and monetary union

is the moving force around which other policies will be grouped. The Commission's guidelines on this front were made public April 19. (See *European Community* No. 166, page 5.) Progress in the economic and monetary area cannot be made without further industrial integration, regional development, and social advance. Common policies acceptable to all members must also be adopted for the environment and energy questions if true economic union is to be achieved.

and the most urgent objective of the cooperation envisaged is the avoidance, by means of a continuous exchange of information and appropriate consultation, of needless and expensive counter-bidding for crude oil by the importing countries," the Commission said. Such international cooperation would also entail contingency arrangements against unexpected supply shortages and collaboration in scientific and technical research.

While not recommending an institutional framework for cooperation between the United States, Japan, and the Community, the Commission did suggest the creation of a joint consultative body to meet periodically.

The Commission emphasized that cooperation among the energy-importing countries should not work "against the legitimate interests of the energy-exporting countries." On the contrary, such cooperation should "contribute indirectly to the growth of the developing countries, in particular those which have no energy resources." Vis-à-vis the energy-exporting countries, the Community must establish "a climate of mutual trust" in order to guarantee the stability of the Community's energy supplies. "To be permanent," the Commission said, "this trust must go along with cooperation based on satisfaction of the interests of both sides."

The Commission called for stepped-up cooperation not only on an international level but within the Community itself. Basic to this intra-Community cooperation would be common rules and laws and closer contacts between public authorities and private oil companies.

A first step would be the harmonization of petroleum product specifications to remove technical obstacles to competition and freedom of movement within the Community. A unified system would be set up to monitor supply conditions and structures. This system would include notifying public authorities of crude oil prices at the time of entry into the Community and consumer price criteria harmonized at the Community level.

Regional Development Will Benefit All

An effective regional policy would particularly benefit such countries as Britain, Italy, and Ireland, whose regional imbalances are most marked, according to George Thomson, EC Commissioner responsible for regional policy. He made this remark on presenting the Commission's May 3 report to the Council. Nonetheless, he emphasized, more balanced economic growth would decrease urban congestion and benefit the Community as a whole. Thus, the insistence that each member state receive as much money from the proposed regional development fund as it contributes must be rejected, he said.

The regional fund, to be financed from the Community's own resources, is scheduled to be established by the end of this year, according to the Paris Summit communiqué. The exact amount of the fund's resources has not yet been determined, but informed observers suggest that 500 million units of account is what the Commission will present in its formal proposals this fall. (One UA equals one 1970 dollar.)

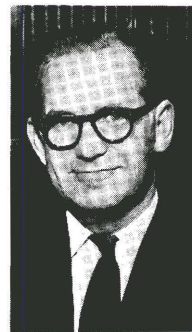
Aid from the fund would go to rural areas overdependent on low-productivity farming and to areas handicapped by aging industries in decline. The Commission's report said that areas with an above-average rate of unemployment, a

low or declining per capita gross domestic product, and a high rate of outward migration would qualify for aid in the form of direct grants or interest rebates on loans. Aid would go principally to industrial projects, service activities, and infrastructure plans which have a particular regional importance or are designed to stimulate productivity. Member states would be represented on a management committee that would advise the Commission on priority regions needing aid. A regional development committee would coordinate national regional policies.

Thomson suggested that Community tax disincentives be established to discourage companies from opening up shop in congested areas of the Community. Prime targets would be the Paris region, the Southeast of England, and the

English Midlands around Birmingham.

The Thomson report said that in 1970 the per capita gross national product (GNP) in the "Nine" was highest in Denmark, with 28 per cent above the average, followed by Germany at 22 per cent. Ireland was last, with 47 per cent below average.



Commissioner George Thomson, responsible for regional policy.

EC Commission's "Energy Message"

Almost simultaneously with President Richard M. Nixon's April 18 "Energy Message," the Community released an energy message of its own. The guidelines and priorities for a Community energy policy were contained in an April 19 communication from the EC Commission to the Council of Ministers.

The Commission called for inter-

national cooperation to meet worldwide energy demands that are expected to double roughly every 15 years. Specifically, the Commission called for cooperation among the major energy-importing areas—the United States, Japan, and the Community. Other importing countries would be associated.

"The most immediate benefit

Social Action to Increase Employment

The Commission adopted on April 18 guidelines for a social action program to promote full employment throughout the Community, improve living and working conditions, and give workers a bigger say in management decisions. Final proposals are expected in the fall.

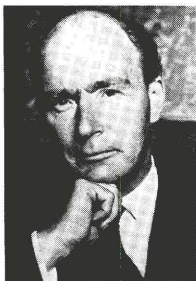
To promote full and better employment, the Commission's guidelines include the following:

- Community contributions to employment premiums for creating new jobs in developing and declining regions
- incentives from Community funds to help member states set up retraining programs with guarantees against income loss
- a European center for vocation training
- training, education, housing, and social protection for migrant workers
- coordination at Community-level to tackle women's employment problems
- a system of permanent collaboration between the EC Commission and national employment services to be set up by January 1, 1974.

Looking toward improved living and working conditions, the Commission's guidelines cover the more equitable distribution of income and wealth, the extension of

social security programs, and job enrichment measures. Examination of minimum wages, implementation of the principle of equal pay for men and women, possible abolition of assembly line work, and possible Community-level support for unemployment benefits are among the Commission's proposals.

The Commission's guidelines also suggested ways in which the Community can enable workers to take part in firms' decision-making. Special EC labor conferences should be convened on an ad hoc basis and labor unions' training and information services should be aided by the creation of an Institute of Labor. The Commission had already made proposals on worker participation in its draft statute for a European company and its fifth draft directive on the harmonization of company law.



Commission Vice President Patrick John Hillery, responsible for social policy.

EC-Wide Attention Environment Needs

Improving the environment and preventing its further deterioration is one way the Common Market can benefit every citizen on an equal basis. The aim of an EC environmental policy is to "improve the setting, surrounding, and condition of life in the Community population." The Commission approved its environmental program on April 10. The Council is committed to act on it by July 1, according to the Summit communiqué. The three broad areas of action named by the Commission are

- projects to reduce and prevent pollution, including harmonizing methods of analysis and measure-

ment, drawing up common measures to meet agreed-upon standards, and joint research efforts

- projects to improve the environment and quality of life, including protection of the natural environment, common solutions to resource depletion, creation of a forum for discussing urban problems and an institution to improve living and working conditions, and programs to inform and educate the public

- Community action or, where appropriate, joint action by member states in international organizations dealing with environmental questions.

Industrial Policy: Four Priorities

The Commission on May 3 issued a series of recommendations intended to give the Community a solid industrial base. Drawn up by Altiero Spinelli, the Commissioner in charge of industrial and technological affairs, the memorandum lists four main priorities:

- The Commission would present the Council of Ministers with draft directives whereby the Community could completely eliminate by the end of 1977 a large number of intra-EC, technical trade barriers (such as varying safety standards). Products affected range from mineral water to school equipment.
- Member governments should do more to enable firms from all member states to bid for public works contracts. The Community should also open up to all EC suppliers contracts awarded by state-run enterprises and the public service sector, including airlines, railways, and telecommunications and power utilities. The Commission warned that it will take member governments to the EC Court of Justice if they continue to infringe Community rules by giving preference to national suppliers, now about 95 per cent of public contracts.
- National public finance institu-

tions should cooperate in providing risk capital for the creation of European-scale companies capable of competing on world markets. The Commission plans to propose this year a statute for European cooperation groups, modeled on the French *groupe-ment d'intérêt économique*, under which companies of different legal standing can cooperate without losing their identity.

- The Community should give special attention to making such advanced technology industries as computers, aircraft, and telecommunications more efficient, and to helping sectors that are currently experiencing crises, such as shipbuilding, textiles, and paper. It should aim at a better coordination of investment in heavy industries to avoid over-capacity and a maldistribution of public money.

Spinelli also announced a new drive for the harmonization of national company laws and said the Commission would soon propose uniform taxation of dividends and interest on bonds. To ensure free competition, Spinelli called for the prior notification to the Commission of important merger plans so that it could intervene if necessary before a merger violating the EC rules of competition takes place.

Action Acts Against "Dominant Buyer"

The Commission has rapped Europe's governmental railroad authorities on the knuckles for exploiting their near-monopoly position as purchasers of rolling stock.

Acting under Article 86 of the Common Market Treaty, which prohibits the abuse of a dominant position, the Commission successfully persuaded Eurofima, the railways' joint purchasing agency, to alter its contract with a potential supplier. This is the first time the Commission has acted against a dominant buyer, it was announced in Brussels April 16.

Eurofima had called for tenders for working studies of a new type of equipment, which it intended to

buy later. Companies making bids were asked to renounce the right to further payments for the use of any inventions or other industrial rights developed in the course of the commissioned studies.

In particular, the companies were asked to give up the right to be consulted and paid supplementary fees if any of their developments were licensed to others for manufacturing. The Commission found this requirement "unjustified" and an abuse of a dominant position.

After a complaint by the Commission, Eurofima changed the relevant clause of the contract.

Congressmen Visit European Parliament

"We are convinced that the United States and Europe share a profound common interest and destiny underlying our entire relationship." Thus began the joint statement of US Congressmen and European Parliament (EP) members following their third "parliamentary exchange."

The American delegation, co-chaired by Rep. Benjamin S. Rosenthal (D-NY), chairman of the Foreign Affairs Subcommittee on Europe, and Rep. Donald M. Fraser (D-Minn.), chairman of the Foreign Affairs Subcommittee on International Organizations and Movements, traveled on May 2 to Brussels for three days of talks at EC Commission headquarters and then to Strasbourg, France, for a three-day plenary session of the European Parliament. The Congressmen and EP members discussed such topics as the upcoming world trade talks, international monetary reform, the respective agricultural policies of the United States and the Community, security issues, and "the role of political parties and parliaments in political control and decision-making." On May 8, EC Commission Vice President Christopher Soames addressed the joint session on EC-US relations (see page 17).

The joint statement issued by the Congressmen and EP members stressed that the forthcoming General Agreement on Tariffs and Trade (GATT) negotiations "should aim to consolidate and continue the liberalization of international trade on the basis of reciprocity and mutual advantage. They should also include opportunities for the developing countries to participate in the expansion of world trade."

Concerning agriculture, "the American participants expressed understanding of the present social basis for the common agricultural policy of the European Community. Both sides," the statement continued, "recognized that problems in their respective agricultural policies must be faced in order to help create, by reciprocal adjust-

ments, a better equilibrium of world markets."

The joint statement also took "note of the expanding international demand for energy and of the balance-of-payments problems this poses . . . [and] agreed to urge a new cooperative relationship among the major energy-consuming nations."

The other Foreign Affairs Committee members taking part in the exchange were: Rep. John Buchanan (R-Ala.); Rep. L. H. Fountain (D-NC); Rep. Peter H. B. Frelinghuysen (R-NJ), ranking minority member of the Europe Subcommittee; Rep. Tennyson Guyer (R-Ohio); Rep. Guy Vander Jagt (R-Mich.); Rep. Ogden R.

Reid (D-NY); Rep. Lester L. Wolff (D-NY), and Rep. Gus Yatron (D-Pa.).

Other participating Congressmen were: Rep. Sam Gibbons (D-Fla.), of the Ways and Means Committee; Rep. John Melcher (D-Mont.), of the Agriculture and Interior and Insular Affairs Committees; Rep. David R. Obey (D-Wis.), of the Appropriations Committee, and Rep. Henry S. Reuss (D-Wis.), of the Banking and Currency, Government Operations, and Joint Economic Committees.

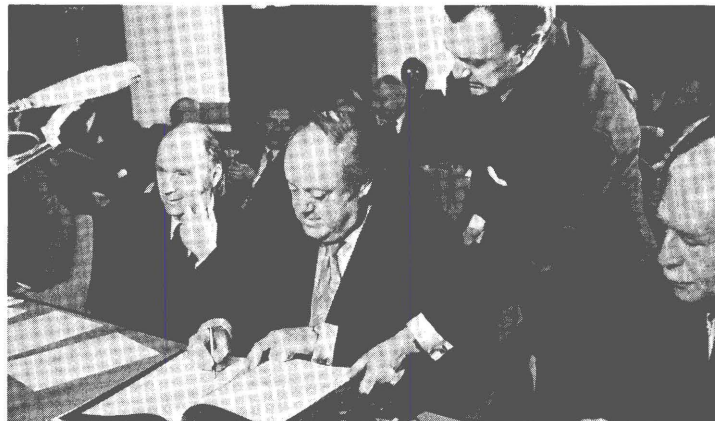
The first EC-US parliamentary exchange took place in January 1972 when US Congressmen traveled to Luxembourg, site of the European Parliament's Secretariat. In May 1972, a European Parliament delegation traveled to Washington.

Norway and the Community also agreed on provisions for some agricultural products. Norway will reduce tariffs for such EC farm goods as wine, some fruits and vegetables, and the Community will reduce tariffs on some Norwegian fish products. The agreements on farm products were not part of the agreement on industrial goods and were finalized by an exchange of letters.

Speaking at the May 14 signing ceremony in Brussels, EC Commission Vice President Christopher Soames expressed the hope that Norway would one day join the Community as a full member. He said: "The decision of the Norwegian people [in last year's referendum] is something that we must respect and understand, but I honestly say that it is one which caused us disappointment. There are many who hope that one day Norway may decide to join the Community—but meanwhile it was necessary to have further negotiations to establish the relationship between Norway and the Community. These have been carried out in an atmosphere of firm political will and with a sense of urgency on both sides."

Soames noted that "the main purpose" of the trade agreements with EFTA countries "was to avoid a situation where progress in the construction of Europe by the members of the Community would mean a setback in wider European relations."

EC, Norway Accord Comes Into Effect



Commission Vice President Christopher Soames, responsible for the EC's external relations, signs accord with Norway in the Egmont Palace, Brussels, Belgium.

An EC-Norway free trade agreement to remove all customs duties on industrial products over a five-year period came into effect July 1.

Norway, which last year rejected EC membership in a referendum, is the last of seven European Free Trade Association (EFTA) countries to conclude a trade agreement with the Community. Norway's accord is substantially the same as the Community's agreements with the other EFTA nations. The agreement ensures that the elimination of customs duties

on industrial products achieved between Norway and its former EFTA partners, Britain and Denmark, will be maintained. During a five-year transition period, free trade in industrial products will be introduced between Norway and the original EC members plus new EC member Ireland. For some products, including paper, aluminum, and other metals, some textile products, and electrical equipment, the elimination of customs duties will take an additional two years.

Study in Brussels

The Institute of European Studies at the *Université Libre de Bruxelles* is now accepting applications for its academic program which begins the first week in October.

The Institute offers one- and two-year graduate programs in European economics, law, and politics. Classes are conducted in French. The registration fee is 6,000 Belgian francs (approximately \$170).

For more information, write Institut d'Etudes Européennes, Avenue F. D. Roosevelt 39, B-1050, Bruxelles, Belgium.

Vredeling to Answer Rather Than Ask



The European Parliament's most inquisitive member has moved to the other side.

Netherlands Socialist Hendrikus ("Henk") Vredeling, who has submitted more written questions to the Commission than any other EP member, became his country's De-

fense Minister on May 11. He will now be doing the answering instead of the asking, possibly facing tricky questions from his party's left-wing on the Netherlands' participation in the North Atlantic Treaty Organization.

A member of the European Parliament since 1959, Vredeling has submitted 2,086 questions. His tally rose from 10 in 1959 to 543 questions last year. An expert on agriculture and trade questions, he strongly backed increased powers for the Parliament. Dutch observers believe that his active participation in the European Parliament helped bring him to the attention of the new Premier Joop den Uyl.

EC Establishes Uranium Committee

The Council of Ministers agreed on May 22 to set up a Standing Committee on Uranium Enrichment as one of the first steps toward establishing a European enrichment plant to cover "a substantial and increasing proportion of the requirements of the European Community."

The new Committee will make up-to-date market surveys on enriched uranium, taking into account the guarantees and potentials of different suppliers. The Committee will also examine ways to promote the development of the necessary industrial capacities in

the Community and to facilitate coordination of measures initiated by member states. A report on its findings must be submitted to the Council by the end of December 1973.

The Council, in its resolution, said that action is necessary because existing plants cannot guarantee the necessary supplies beyond 1980. Suppliers are required contracts to be concluded at least eight years before the first delivery, the Council said. The United States is Europe's major supplier of enriched uranium.

Economic Picture Rosy Except for Inflation

The economy is booming, but EC member states must still contend with an ever-increasing rate of inflation, according to the Commission's first quarterly report on the economic situation in 1973.

The report, released in May and the first published since the Community's enlargement last January, said that vigorous economic growth in the United States and other industrialized countries caused EC exports to expand. Internal demand in the Community, which during most of 1972 had been stimulated mainly by in-

creased private consumers' expenditure, has in recent months also been boosted by a more vigorous drive to replenish stocks and a more favorable trend in fixed investment. Imports have also increased at a faster rate, the report said.

Employment in the Community has risen, despite many firms' attempts to cut manpower requirements as part of rationalization programs.

The only flaw in the otherwise glowing picture of the Community's economy is inflation. Prices have

EC Meets With Japanese and Canadians

EC Commission Vice President Christopher Soames is expected to visit Japan this fall as part of "constructive discussions . . . continuously undertaken concerning the major issues of common interest to both sides." Announcement of the projected trip of the EC Commission member responsible for external relations was contained in a joint Japanese-EC communiqué at the conclusion of Japanese Foreign Minister Masayoshi Ohira's May 4 visit to Brussels. The communiqué also said that the Japanese Government wished to invite Commission President François-Xavier Ortoli to Japan "at an early convenient date." Community and Japanese officials agreed that the bilateral negotiations which had broken down in 1971 over the question of safeguards would be incorporated into the upcoming multilateral trade negotiations. Other issues discussed included international monetary questions and energy problems.

Also on May 4, Canadian Minister of Industry, Trade, and Commerce Alastair W. Gillespie met in Brussels with President Ortoli, Vice President Soames, Commissioner Petrus Josephus Lardinois, and Commissioner Altiero Spinelli. Part of the regular, informal con-

tacts between the Commission and the Canadian Government, the discussion focused on the upcoming world trade talks.

Month in Brief

MAY 1973

- 1** German Chancellor Willy Brandt meets with President Richard M. Nixon in Washington, DC.
- 3** The Commission submits a report on regional policy to the Council (see page 4).
- 3** The Commission sends a memorandum on industrial policy to the Council (page 5).
- 3-4** The Action Committee for the United States of Europe meets in Brussels (see page 17).
- 4** Japanese Foreign Minister Masayoshi Ohira meets with Commission officials in Brussels (see page 7).
- 4** Canadian Trade, Industry, and Commerce Minister Alastair W. Gillespie meets with Commission officials in Brussels (see page 7).
- 4-10** Members of the US House of Representatives Foreign Affairs Subcommittees on Europe and International Organizations visit Commission headquarters in Brussels and the European Parliament session in Strasbourg (see page 6).
- 8-11** European Parliament meets in Strasbourg (see page 6).
- 14** The Community and Norway sign an industrial free trade accord (see page 6).
- 15** The Council authorizes food aid for six African countries threatened by famine.
- 22-23** The Council establishes a committee on uranium enrichment (see page 6).
- 31** French President Georges Pompidou meets with President Nixon in Iceland.

How Americans Rate the European Community

Gallup Supplies the Answers

Two of every three Americans believe that US ties with Western Europe matter a great deal, while only 16 per cent say these ties are not important. Most Americans (55 per cent), however, have never heard of the European Common Market.

These findings are contained in a Gallup poll released on June 28 by the European Community Information Service (ECIS) in Washington, DC. The ECIS commissioned the poll to determine the American public's knowledge of and attitudes toward the European Community. Gallup based its survey on 1,030 personal interviews, conducted nationwide during the last week of March and in early April, of Americans aged 18 and older. (The complete poll is available on a lending basis from the ECIS, both in Washington and New York.)

Education, income, and sex proved significant variables in the average American's knowledge of the Community. The best informed were usually college-educated males with annual incomes of at least \$15,000. The most frequently mentioned sources of information about the Community were newspapers and magazines. Less than half, 45 per cent of all persons interviewed, reported that they had heard or read about the European Community.

An even smaller percentage (35 per cent) demonstrated real knowledge of the Community by citing some of its purposes. The most frequently mentioned purposes were mutual economic assistance and development of intra-Community trade. Only 4 per cent of those who had read or heard of the Community thought it was a forerunner of a United States of Europe.

Four out of 10 people interviewed could name one or more of the EC member countries. The countries named most often were France, Great Britain, and Germany.

Only 5 per cent of those who said they were acquainted with the Community knew that the Community's population was greater than that of the United States, that the Community produces fewer goods than the United States, that the Community exports more than the United States, and that the Community's industrial production is growing faster than that of the United States.

TRUST AND TIES

Before inquiring directly about views toward the Community, Gallup asked the respondents their attitudes toward various nationalities, their identification with different geographical areas, and their opinions on the US role in the world and on US-European relations.

The survey showed that American attitudes toward the nationalities of the European Community seem to be more favorable than toward the people of all other countries except Switzerland.

The Gallup survey suggests that most Americans identify most strongly with their local neighborhood or with the United States. Only about one person in 10 identified strongly with either "the Western world" or "the world as a whole." The largest differ-

ences by population variables were according to age. While 16 per cent of those aged 18 to 29 named "the world as a whole," only 4 per cent of those over 50 gave this answer.

A majority (55 per cent) of those interviewed felt that the United States should "stop getting involved in other countries' affairs." Thirty-eight per cent said the United States must "play a leading role in world affairs." Seven per cent had no opinion.

On the other hand, 65 per cent of the people interviewed believed that US ties with Western Europe "matter a great deal." Only 16 per cent said these ties are not important. The more the respondent knew about the Common Market, the survey found, the more important the respondent considered US ties with Western Europe.

The reasons most frequently given for the view that US ties with Western Europe "matter a great deal" were (in order of frequency):

- The United States should remain interested in world affairs. "We should not isolate ourselves."
 - US-EC ties provide a stronger defense against Communism.
 - It is important for trade. "We need to export and import."
 - "We need economic ties. Our growth is affected by Western Europe."
 - "We have the same cultures, the same ancestors."
- Reasons given for saying that US ties with Western Europe "aren't very important" included:
- "We should straighten out our own problems first."
 - "It is more to their advantage than ours."

Opinion on whether the United States should go to war, if necessary, to help defend Western Europe was about evenly divided. Forty-three per cent said "no", 41 per cent said "yes." Those who were unacquainted with the Community were more inclined to reply in the negative, the survey found.

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EC BENEFITS UNITED STATES

Of those polled familiar with the Community, a plurality (42 per cent) believed the European Community is more likely to benefit than harm the United States. Thirty-two per cent believed the opposite. Twenty-six per cent said they did not know.

According to population groups, the poll found that the people most likely to view the Community as beneficial were male, relatively young, college-educated, and professionally employed with annual incomes over \$15,000. More labor union members than non-members polled thought the Common Market likely to hurt the United States.

In terms of specific benefits, 66 per cent believed the Community will increase the political stability of Europe (32 per cent disagreed), and 56 per cent believed the Community increases US investment opportunities in Europe (23 per cent disagreed). A plurality (42 per cent) believed the Community provides a better market for US goods, whereas a majority (58 per cent) think it will become a serious rival of the United States in world trade. Thirty-two per cent did not think the Common Market will provide a better market for US goods, and 20 per cent did not see the Community as a serious economic rival. Forty-five per cent agreed and 32 per cent disagreed that the Community will reduce the need for US defense aid for Western Europe. Forty-three per cent thought that the Common Market makes European-made goods more expensive for US consumers (32 per cent disagreed).

Only 17 per cent of the respondents who had heard or read about the Community thought that it will have little or no effect on the United States.

Among the people familiar with the Common Market, opinion was evenly divided on whether British relations with the United States will improve or become worse as a result of Britain's entry into the Community. The respondents who thought the Community is more likely to benefit than hurt the United States also tended to view British membership in the Community as likely to improve US-British relations.

AMERICANS LOOK AT EUROPEAN UNITY

About half of the people interviewed either were indifferent or had no opinion about European unification. Four out of five of the respondents who had opinions, however, supported European unity. Groups with the largest proportions favoring unification were: 18-29 year-olds (48 per cent); people with incomes over \$15,000 a year (51 per cent); people who have attended college (60 per cent); professional and business people (56 per cent); people who have traveled to Europe (51 per cent), and people who are best informed about the European Community (58 per cent).

Cross-tabulated with opinions on the US role in the world, Gallup found that only 35 per cent of the respondents believing the United States should "stop getting involved" were in favor of European unification. On the other hand, among the people who thought the United States should play a leading role in world affairs, 51 per cent favored European unification. Similarly, among the respondents who believed US-West European ties matter a great deal, 49 per cent supported European unification; while, of persons who thought US-West European ties were not important, only 34 per cent supported European unification.

Whether or not in favor of European unification, only one out of five persons familiar with the Common Market thought the EC countries are likely to evolve into a United States of Europe. Sixty-eight per cent thought the Community will remain as it is now.

Of persons well-informed about the Community, 53 per cent said they would be sorry "if they were told tomorrow that the Common Market had been scrapped." Seven per cent said they would be pleased; 33 per cent, indifferent. Of respondents with some information about the Community, 42 per cent said they would be sorry, 9 per cent pleased, and 36 per cent indifferent. Of the entire sample, almost two out of every three persons replied that they would be indifferent or that they could not say how they would react.

People who answered "sorry" or "pleased" were asked why they had given that answer. About three out of five of the respondents who had answered "sorry" said, in effect, "because it is helping the member nations." Other reasons for being sorry were:

- "The United States benefits from a stronger Europe."
- It would damage member nations economically.
- It would damage member nations politically.
- It would damage member nations' trade relations.

Reasons for being pleased included "they will shut us out and only trade over there," and "those countries are banding together and trading among themselves—against us."

In other questions, Gallup found the respondents about evenly divided on whether to eliminate gradually tariffs in both the Community and the United States and generally satisfied with newspaper and television coverage of European events.

Questions and Answers

Do you happen to have read or heard anything about the European Community, or the Common Market, as it's also called?

(in percentages)

Yes	45	No	55
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Could you describe some of the things the Common Market does? What are its purposes? (Asked of people who had heard or read about the Common Market)

(in percentages)

Encourages trade between member nations.	33
Countries banded together for economic reasons, to help each other economically.	23
Free trade among member nations.	14
To stabilize the economy of member nations.	19
Cooperate on monetary policies.	6
Countries banded together for power, makes them stronger.	4
Promotes a political alliance, forerunner of United States of Europe.	4
Fewer restrictions on travel.	1
Creates an exchange of labor between countries.	1
Other answers.	6
Don't know.	22

Will you please tell me which countries, if you happen to recall, are now in the European Community or Common Market? Any others?

(in percentages)

Correctly named:	
France	36
Great Britain	35
West Germany	30
Italy	16
Belgium	14
The Netherlands	12
Denmark	9
Luxembourg	5
Ireland	2
Other answers:	
All other West European countries	10
East European countries	1
United States	2
None named	5

Do you think our ties with Western Europe are closer or not as close as they were 10 years ago?

(In percentages)	Entire Sample
Not as close	39
About the same	12
Closer	31
No opinion	18
	<u>100</u>

Would you say that the population of all the countries in the Common Market is greater, smaller, or about the same as that of the United States?

Common Market Population Is:

(in percentages)

Greater	35*
About the same	26
Smaller	21
Can't say	18
	<u>100</u>

Would you say that all the Common Market countries as a group produce more goods than the United States, less goods than the United States, or about the same amount?

Common Market Produces:

(in percentages)

More goods	18
About the same amount	23
Less goods	47*
Can't say	12
	<u>100</u>

Would you say that all the Common Market countries taken together export more goods than the United States does, less than the United States, or about the same amount?

Common Market Exports:

(in percentages)

More goods	45*
About the same amount	19
Less goods	22
Can't say	14
	<u>100</u>

Would you say that the industrial production of the Common Market is growing faster than that of the United States, or slower than the United States, or at about the same rate?

Common Market Growing:

(in percentages)

Faster	50*
About the same	23
Slower	23
Can't say	14
	<u>100</u>

* Correct answers

Taking everything into consideration, would you say the Common Market is more likely to benefit or hurt the United States? (Asked of people who had heard or read about the Common Market).

<i>(in percentages)</i>	
Benefit	42
Hurt	32
Don't Know	26
	<u>100</u>

Will you please tell me how strongly you agree or disagree with each of the following statements. (Asked of people who had heard or read about the Common Market)

<i>(in percentages)</i>	Strongly Agree	Agree	Neutral/ No Opinion	Disagree	Strongly Disagree	Total
The Common Market will provide a better market for US goods.	5	37	26	29	3	100
The Common Market increases opportunities for US investments in Europe.	10	46	21	22	1	100
The Common Market makes goods made in Europe more expensive for the United States to buy	6	37	25	31	1	100
The Common Market will become a serious rival of the United States in world trade.	14	44	22	19	1	100
The Common Market will reduce the need for the United States to help defend Western Europe.	8	37	23	29	3	100
The Common Market will increase the political stability in Europe.	11	55	24	10	0	100
The Common Market will have little or no effect on the United States	2	15	19	55	9	100

If you were told tomorrow that the Common Market had been scrapped, would you be sorry about it, indifferent, or pleased?

<i>(in percentages)</i>	Entire Sample	Well Informed	Some Information	Not Informed
Sorry	31	53	42	20
Pleased	5	7	9	2
Indifferent	39	33	36	42
Can't say	25	7	13	36
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Do you think there is any way in which the Common Market is likely to benefit the United States? (Asked of people who had heard or read about the European Community).

<i>(in percentages)</i>	
Yes	44
No	32
Don't know	24
	<u>100</u>

People who answered "yes" were also asked:
What would you say is the most important benefit?

(Percentages are based on all those who had heard or read about the Common Market)

<i>(in percentages)</i>	
Would help balance our foreign trade with Europe.	12
Will make a better market for US goods.	11
Would improve European economy—they would need less help.	7
Would increase stability in Europe.	5
Would help stabilize the dollar.	3
Imports would be cheaper.	3
Would help reduce trade restrictions.	1
Europe will be less dependent on us militarily.	2
We need their products.	2
Other benefits.	3
Can't say.	2
Total (Exceeds the 44 per cent who see some benefit due to multiple answers)	51

Do you think there is any way in which the Common Market is likely to hurt the United States? (Asked of people who had heard or read about the European Community)

<i>(in percentages)</i>	
Yes	50
No	28
Don't know	22
	<u>100</u>

Persons who answered "yes" were asked:
In what way is the Common Market likely to do the most harm to the United States?

Replies divided as follows:

<i>(in percentages)</i>	
European countries would no longer need US trade.	23
It could force prices down, their prices are cheaper than ours.	12
Would hurt our labor market.	8
They will get some of our markets, take away trade from us.	8
By causing devaluation of the dollar.	4
Think trade doesn't help United States, should make own products.	2
Other answers.	4
Can't say.	2
Total (Exceeds 50 per cent asked due to multiple answers.)	63

Do you think Great Britain's membership in the Common Market will improve Great Britain's relations with the United States or make relations worse? (Asked of people who had heard or read about the Common Market)

<i>(in percentages)</i>	
Improve relations	29
Make relations worse	29
No difference	23
Don't know	19
	<u>100</u>

<i>Of those persons who think Common Market will: Think Britain's Relations with United States Will:</i>	<i>(in percentages)</i>	
	<i>Benefit United States</i>	<i>Hurt United States</i>
Improve	46	18
Become worse	22	50
No difference	22	23
Don't know	10	9
	<u>100</u>	<u>100</u>

Do you feel that the newspapers and television you see provide sufficient information about events taking place in Asia? Europe? Africa? The Middle East? Latin America?

<i>(in percentages)</i>	<i>Yes, Sufficient</i>	<i>No, or Don't Know</i>	<i>Total</i>
Asia	48	52	100
Europe	54	46	100
Africa	33	67	100
The Middle East	54	46	100
Latin America	36	64	100

(Note: Readership studies have revealed that readership about foreign news is small).

Now I would like to ask how much you trust the different foreign peoples I am going to name. For each one, would you tell me whether you trust them a great deal, a fair amount, not much, or not at all?

<i>(in percentages)</i>	<i>A Great Deal</i>	<i>Fair Amount</i>	<i>Not Much</i>	<i>Not At All</i>	<i>No Opinion</i>
Swiss	26	46	5	3	20
British	24	51	11	3	11
West Germans	15	48	16	9	12
Italians	13	55	12	4	16
Japanese	13	42	18	15	12
French	11	49	18	7	15
Africans	8	42	17	11	22
Latin Americans	8	41	23	12	16
Russians	4	32	26	28	10
Chinese	4	31	28	24	13
Arabs	3	21	27	31	18

Here is a card which lists several different geographical areas. To which one of these areas do you feel you belong most strongly? What would come in second place?

<i>(in percentages)</i>	<i>Identifies with Most Strongly</i>	<i>Second Place</i>
The neighborhood or town where I live	32	15
The state I live in	15	37
This region of the United States (East, Midwest, South, West)	8	9
The United States as a whole	33	25
The western world	2	4
The world as a whole	8	7
Don't know	2	3
	<u>100</u>	<u>100</u>



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US Policy Toward Europe

*“Plus ça change,
plus c’est la même chose”*

LEONARD B. TENNYSON, *Director, European Community Information Service, Washington, DC*

From 1945 to 1973, time and events have eroded and altered the ties that bind the Atlantic nations. The “postwar era” is gone. It expired sometime in the Sixties. Historians have still to pinpoint the circumstances and time of its death. There are those who are distressed by its departure. It was founded upon comfortable assurances. Two superpowers simplified the task of global stability by their bipolar interaction and their patron-client relations with allies and neighbors. It appeared to be a world of linear political equations and uncomplicated economic truths.

Today, a convenient label has not yet been found to describe the ambiguous, complex, and changing multi-power world of the Seventies. New conceptual frameworks are being sought by nations to contain policies for the new era. Among these is the search by the United States for a proper place for old allies and a new power—western Europe—in the shaping of a new global policy.

EUROCENTRISM

The plight of the ravaged nations of Western Europe, allies and foes alike, found ready and sympathetic response from Americans at the war’s end. When private and international relief efforts could not match the need, Secretary of State George C. Marshall’s proposal in June of 1947 marked the US Government’s recognition of the inseparable fate that linked Europe and the United States.

The generation of men who helped shape US foreign policy after 1945 were distinguished by two particular characteristics. First, they were well armed with plans and ideas formulated during the dark wartime years for restructuring a world wherein obsessive nationalism and threat of war could be lessened. Second, the “world” they saw lay to the east, across the Atlantic. It was Europe. Early expectations were that a revived Europe would of necessity be made up of states “acting in concert.” Official papers, often seeming to reflect the views of Jean Monnet, and the pronouncements by Marshall Plan leaders stressed the need for a European customs union or a “kind of economically united Europe.” Congressional leaders went further with some espousing a “European federation” as a suitable guarantee that Marshall Plan aid would be politically as well as economically effective. Well-wishers for Europe’s future were also among the editorial writers, journalists, businessmen, and labor leaders of the day. Consequently, when Monnet and Robert Schuman proposed the Coal and Steel Community in 1950, it seemed an expected fruit, albeit modest, born of US aid and hopes.

Thus, in the late Forties and early Fifties, a vital cornerstone of US foreign policy was laid: support for the integration of Western Europe. Successive Administrations of both American political parties endorsed this policy which became the most durable and consistent of the many stances the United States adopted vis-à-vis the rest of the world for the next two decades.

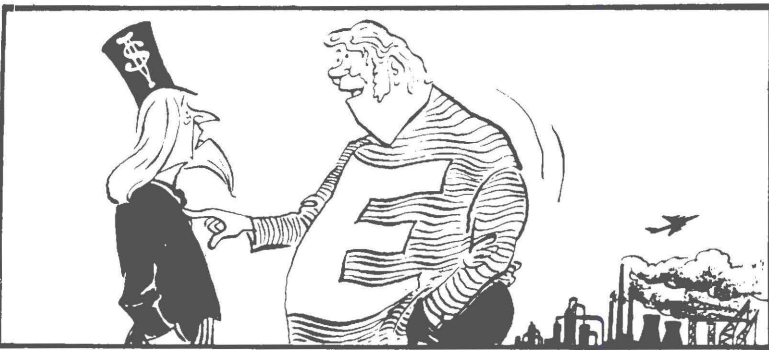
APPRAISAL, OPTIONS, AND PARTNERS

American hopes for speedy economic and political integration in Europe soared in the early Fifties when the European Defense Community (EDC) was proposed by France and quickly embraced by the United States. Here at last was a political solution to the vexing problem of Germany. Yet, when these hopes were dashed in August 1954 by the French National Assembly, John Fosters Dulles’ earlier warning of an “agonizing reappraisal” of US policy toward Europe failed to materialize. Not even the Suez crisis and the accompanying Anglo-French misadventure in the Middle East swerved US European policy from its course. Europe’s economic well-being, and with it political stability, were already visibly restored.

When the European Economic Community became a political possibility a year after Suez, the United States stood at the forefront of its supporters. British leaders warned privately against the continental monster being fostered by US policy, but the Eisenhower Administration turned a deaf ear. The Americans merely regretted that Britain had chosen not to join the “Six” in their bold new endeavor. They ventured the opinion that the British option of a free trade association would be a dead-end street.

When John F. Kennedy came into office in 1961, he was generally regarded as the first postwar Administration not oriented toward European affairs. The Cuban missile crisis and Kennedy’s confrontation with Nikita S. Khrushchev in Vienna quickly overcame that misperception. The Administration immediately moved to strengthen its ties with Europe and reaffirm its faith in an integrated Europe. “Atlantic Partnership” became a popular catchword, and his “Declaration of Interdependence” became a new “Grand Design.” The Trade Expansion Act, leading to the Kennedy Round negotiations within the General Agreement on Tariffs and Trade (GATT), became a more palpable manifestation of American regard for an emerging European entity in the form of the European Community.

French President Charles de Gaulle’s veto of the United Kingdom’s membership in the Community in 1963 doused American optimism for Europe with icy water. Yet, it was France under de Gaulle toward which US policy showed reserve and polite restraint rather than to the European Community. France’s cold-shoulder to the North Atlantic Treaty Organization confirmed the trend. The postwar Atlantic world had indeed changed. The old client-patron relationship was shifting. Things would never quite be the same again. The curtain may have fallen on the postwar era in May 1967 when the United States and the European Community emerged from their three-year GATT duel. By reducing global tariffs to their lowest level in history, the United States and the Community gave the first proof of their “partnership.” For the first time, a “Europe of the Six” had successfully confronted a superpower in a show of equality.



DIALOGUE WITH EUROPE. Behrendt, Het Parool, Amsterdam.

BEYOND THE POSTWAR ERA

The cheers and self-congratulations had scarcely subsided after the Kennedy Round when American disaffection with Europe began to surface. The portents had been present long before. In process since 1964 were a sharply down-turning balance of payments, a slackening in the trade surplus, and an inward-turning of the national consciousness with growing involvement in Southeast Asia. Also, US industry had been investing heavily in wholly owned subsidiaries throughout the world, particularly in the booming Common Market. By 1968, protectionism, which had been hidden in the closet for more than a decade, came out into the open. The labor unions, long the bastions of liberal trade, turned protectionist, blaming US multinational firms for exporting jobs. Congress regarded as almost whimsical the notion that it should honor the Johnson Administration's pledge in the Kennedy Round to abolish the American Selling Price system of customs valuation, and from 1968 through 1972, some 200 bills were introduced annually in Congress to restrict trade.

The turn around came swiftly from liberalism to protectionism and from optimism to guarded suspicion. One scapegoat of these new attitudes and reactions was the European Community. With Japan, multinational companies, and international speculators, it was linked as a contributor to United States' economic and monetary woes. By 1970, spokesmen in the Nixon Administration were upbraiding the Community for its "highly protectionist" policies

and threatening that "the United States is no longer willing to pay an economic price for non-existent political unity."

These frustrated expressions, also coming from the Congress and from certain sections of industry, flew in the face of fact. Even US trade statistics disproved the complaints. The Community had been responsible for a consistent US trade surplus, the Community's industrial tariff levels were lower, its quantitative restrictions were fewer, and its nontariff barriers no more protective than those of the United States. Why then the disparities between claims and facts? One answer may have been that the Administration, preoccupied with balancing US interests elsewhere in the world, neglected Europe and allowed the dialogue to fall to the level of a greengrocers' quarrel. For a while, the Administration seemed to have forgotten that trade and related matters involve foreign policy.

"THE YEAR OF EUROPE," THE DECADE OF THE SEVENTIES

This year, on April 23, Henry A. Kissinger sought to redress the balance and to assure Europe that 1973 is still "The Year of Europe" as far as the US Administration's foreign policy is concerned. He acknowledged that both sides have benefited from European integration and pledged continuing US support for the unification of Europe. Alluding to the low level of recent debate, he underscored the importance of ensuring the success of forthcoming monetary and trade negotiations by engaging the "top political leaders" who could commit a political will to the undertaking.

What will happen to United States policy toward Europe remains to be seen. Kissinger's address held out hope of a change in the climate of relations and a reawakening of the "partnership." But his reference to the Community as having solely regional interests vis-à-vis US global interests was neither true nor generous. *The New York Times*, commenting editorially on the address, said: "Mr. Kissinger's text includes along with its spirit of uplift, all the Administration's stock complaints about Europe—the dubious as well as the justified."

Odds are favorable that this and succeeding Administrations will continue to lend support to the concept of an integrated Europe. But the period of the United States as the doting and protective parent to a growing European child is finished. The years ahead will be marked by continuing differences as the United States adjusts to the reality of being parent to a nearly-mature offspring and as the European Community seeks further to establish its identity.

After more than 20 years of the march toward integration of Europe, a recent poll shows that only about 45 per cent of Americans know of the European Community's existence (see page 8). This decade could mark the period when the American people, always generously disposed toward the idea of a united Europe, will awaken to the reality of the Community as a partner and as a powerful factor for peace and stability in the world.

"Year of Europe": A Mid-Year Report

David Fouquet, a former American journalist now working for the Commission in Brussels

The "Year of Europe" is in full swing. President Richard M. Nixon has received in Washington, DC, Italy's Premier Giulio Andreotti, Britain's Prime Minister Edward Heath, German Chancellor Willy Brandt, and EC Commission Vice President Christopher Soames, and he met with French President Georges Pompidou in Iceland on May 31. European leaders will return the US President's hospitality this fall when he is scheduled to cross the Atlantic.

The Community and the United States have begun preparing for the international trade negotiations due to begin in September in the General Agreement on Tariffs and Trade (GATT). To participate in the trade talks, both must obtain negotiating mandates. The Commission proposed outlines in April to the Council of Ministers. In a broad statement of EC goals, the Commission focused on tariffs, nontariff barriers, agriculture, developing countries, and safeguard clauses (see *European Community* No. 166, page 6).

President Nixon's trade reform bill, sent to Congress in April, sought authority to: participate in the negotiations; restrict imports as well as reduce trade barriers; aid workers and industries harmed by import competition; apply generalized tariff preferences for underdeveloped countries (similar to those already granted by the Community); and accord most-favored nation status to Communist countries.

Other ongoing international talks will also affect the Atlantic relationship.

- On the monetary front, 20 nations are trying to draft at least preliminary proposals to reform the world monetary system by the time the International Monetary Fund holds its annual meeting in Nairobi in September.

- On the military front, the United States and the Soviet Union have begun discussions in Vienna on the second phase of their Strategic Arms Limitation Talks (SALT). These may directly involve tactical nuclear weapons stationed by the United States in Europe or generally affect the US resolve or ability to continue to shield Europe with its nuclear arsenal.

- Also, 12 nations from the North Atlantic Treaty Organization (NATO) and seven from the Warsaw Pact have opened talks in Vienna on mutual and balanced force reductions (MBFR) in central Europe.

- On a broader scale, 34 Atlantic and European states are in Helsinki preparing for a Conference on European Security and Cooperation that could affect trade, political stability, and East-West cultural and scientific contacts.

KISSINGER CALLS FOR A "NEW ATLANTIC CHARTER"

American interest in a "Year of Europe" was confirmed on April 23 when US Presidential Assistant Henry A. Kissinger, in a rare public address, proclaimed the need for a "new Atlantic Charter" before the end of the year. The proposal was intended to be a significant initiative; some observers compared it with the address 26 years earlier by Secretary of State George C. Marshall

that launched the Marshall Plan to reconstruct Western Europe. Following the mixed initial reception to the Kissinger speech, it is unclear whether his call will result in new guidelines for a new relationship between nations, or a set of platitudes.

Speaking for the President, Kissinger proposed that "by the time the President travels to Europe toward the end of the year, we will have worked out a new Atlantic charter setting the goal for the future." He added that, to be viable, "Atlantic" solutions must include Japan. "In the Forties and Fifties the task was economic reconstruction and security against the danger of attack. The West responded with courage and imagination. Today the need is to make the Atlantic relationship as dynamic a force in building a new structure of peace, less geared to crisis and more conscious of opportunities, drawing its aspirations from its goals rather than its feats," Kissinger said.

President Nixon will deal with Atlantic problems comprehensively, according to Kissinger. "The political, military, and economic issues in Atlantic relations are linked by reality not by choice nor for the tactical purpose of trading one off against the others," Kissinger said.

In the military sector, Kissinger said, America remained committed to "doing its fair share" and was "adamantly opposed to unilateral withdrawals of US forces from Europe." Nevertheless, he added, "We owe to our people a rational defense posture, at the safest minimum size and cost, with burdens equitably shared." He reassured Europe that troop reduction talks between NATO and Warsaw Pact nations were not a subterfuge for US troop withdrawals regardless of the consequences.

Although the United States would continue to support the unification of Europe, he noted that "Europe's economic success and its transformation from a recipient of our aid to a strong competitor has produced a certain amount of friction." He added that the forthcoming world trade negotiations and monetary reform talks present a historic opportunity. But, he warned, top political leaders must guide the talks away from becoming dominated by competing economic interests and pressure groups. America regarded "these negotiations not as a test of strength, but as a test of joint statesmanship," he said.

DETENTE, BUT NOT AT EUROPE'S EXPENSE

The United States would continue its efforts toward détente with Communist states, Kissinger said, but he assured the United States' allies that "we have no intentions of buying an illusory tranquility at the expense of our friends."

US officials later told the press that President Nixon visualized signing during his visit to Europe a document of principles between the United States and Europe, similar to the statement signed between the United States and the Soviet Union on the occasion of Nixon's 1972 visit to Moscow. That declaration was a broad statement of principles to guide US-Soviet economic, political, security, scientific, and cultural relations.

EUROPEANS REACT

To date, official response by European governments has been sparse, and most press reaction has been reserved or skeptical. Nonetheless, some of Kissinger's proposals resembled ideas expressed earlier by Commission President François-Xavier Ortoli, British Prime Minister Edward Heath, and Commission Vice President Christopher Soames.

In a speech to the European Parliament on February 13, President Ortoli stated that EC-US "difficulties, however natural, will be less important than the mutual advantages to be gained from the whole body of our relations with each other." He also agreed that forthcoming trade negotiations would be complex but would be a "test of truth for the participants."

During a visit to Washington, Heath on February 1 agreed to the linking of certain disparate elements of Atlantic relations when he observed that "it is not possible to think of these [economic and monetary] issues entirely in isolation." He cautioned, however, that "we must ensure that progress in one does not need to wait on detailed decisions in another." On the question of military burden-sharing, Heath commented: "We certainly recognize that as the relative economic strength of Europe in-

creases, so too should the share of the common defense burden which Europe bears. Already we have shown that we intend to improve our defense effort."

The inclusion of Japan in the European-American dialogue was foreseen in a speech by Commission Vice President Soames on April 5. "It may be healthy," he noted, "that the bilateral European-American relationship should be reinforced by a subtler triangular one in which Japan is brought in on the same basis into our consultations on trade, on money, on the crucial and pressing issues of the world's future supplies of energy, on research, on international investment, on development aid, and on whatever else is of their concern as much as ours."

Although Kissinger's speech was certainly more than a trial balloon, the idea of imposing a deadline at this time to develop policy guidelines was not greeted with enthusiasm in Europe.

Perhaps the warmest comment came from NATO Secretary Joseph M.A.H. Luns, who termed the Kissinger address "a far-reaching concept" requiring careful study. He predicted that Europe "will respond positively to this worldwide initiative, and it will prove an important element in revitalizing and updating the transatlantic relationship."

Presidential Assistant Henry A. Kissinger calls for "a new Atlantic Charter." In the background is Herbert G. Klein, at that time Director of Communications for the Executive Branch. Photo: Associated Press.



France noted its "interest" in the proposal and said it deserved "attentive study." A French spokesman said the French examination would be undertaken "in the spirit which has always been ours, that of faithfulness to the Alliance in the context of respect for our independence." On May 10, French Foreign Minister Michel Jobert joined others in saying that the various negotiations due this year should not be strictly linked.

Prime Minister Heath said that the emergence of Western Europe made necessary a new definition of relations between the "Nine," Japan, and the United States. Britain would respond positively to the Kissinger call, he said.

British Foreign Secretary Alec Douglas-Home also promised a positive British contribution to the Community's reaction, but added: "In an ideal world we would have chosen a different time scale. We would have preferred that the new Community of Nine had time to shake down and find its way to common positions with greater deliberation. The pressure of events on both sides of the Atlantic and in Japan obliges us all to quicken the pace." Douglas-Home observed that "an economically strong and unified Western Europe may create some awkward cases of competition for the United States, but a weak and divided Western Europe would be a dangerous source of instability."

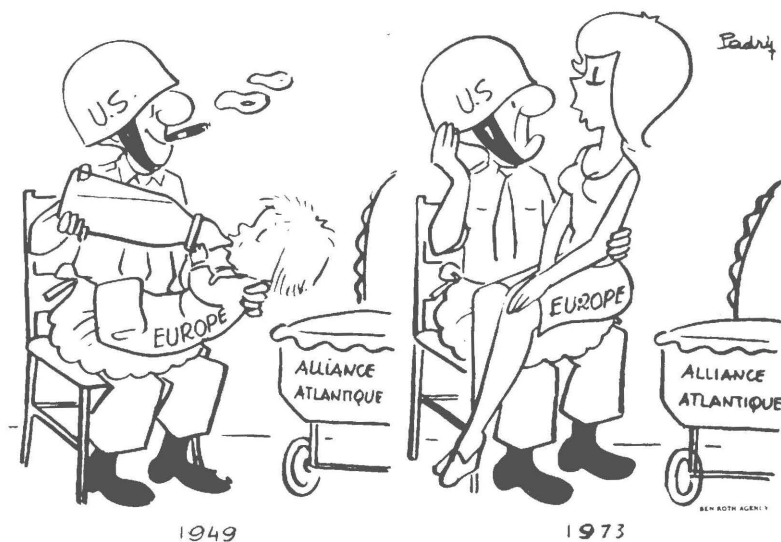
A strong reaction came from Germany. Herbert Wehner, deputy chairman of Chancellor Willy Brandt's Social Democratic Party, was quoted as saying that the Kissinger proposals seemed like "an outline for a monster." During Chancellor Brandt's official visit to Washington on May 1-2, he dashed cold water on the "new Atlantic charter" suggestion by calling for a delay in its consideration.

SOAMES' SEVEN PRINCIPLES

Without labeling it as such, Commission Vice President Soames on May 8 provided what could be a blueprint for the proposed charter, if it is ever written. In a speech to a European Parliament session attended by a delegation from the US House of Representatives, he drew a line between the Kissinger plea for overall political control of all the negotiations and direct links between the talks. He also rebuffed a charge in the Kissinger speech that the Community had a "regional" outlook.

Although he said he had reservations about documents and institutionalized dialogues, Vice President Soames outlined seven "cardinal objectives we share":

- a commitment "to uphold our common democratic political traditions"
- a world free from "injustice, violence, and aggression"
- peace and cooperation with "those whose collective aspirations differ from our own"
- "joint responsibilities toward the poorest parts of the world"
- further liberalization of world trade
- a "sounder monetary order"
- joint action to protect the environment and energy reserves.



1949
Padry, Le Herisson, Paris.

PRESS VOICES SKEPTICISM

Newspapers were generally cool in their comments. On both sides of the Atlantic, journalists raised doubts whether, in the wake of the Watergate affair, President Nixon could defend his trade bill in Congress or his vow not to cut US troops in Europe. *The Guardian* noted that it might be extravagant to compare the Kissinger proposals with the Marshall Plan, but added "the answer to Dr. Kissinger's main question, does Europe want to join America and Japan in seeking common objectives, is a clear and resounding 'yes'."

The Action Committee for the United States of Europe, headed by Jean Monnet, a founding architect of the Community, urged Europe to "respond actively" to the Kissinger proposals. Meeting in Brussels on May 3, the Committee suggested the appointment of two independent personalities by the Community and the United States to make an inventory of the commercial and monetary difficulties between the two sides of the Atlantic.

The group also passed a resolution stating that the most urgent tasks facing the Nine were to make progress toward economic monetary union and to ensure that the discussions between the Community and the United States took place on a basis of equality.

Interest in Atlantic relations has not been so acute for many years. What it will lead to is far from clear. Some skeptics recall a previous American appeal for a new Atlantic relationship that went unanswered: in 1962 President John F. Kennedy suggested a "declaration of interdependence" between Europe and the United States and a new "Atlantic partnership."

Even if a formal charter is never signed, preliminary positions and strategies are now known. The mid-year report shows the Year of Europe well underway.

The Europe-America Conference

“Atlanticists” Look at Today’s World

GERHARD MALLY, research associate at the Atlantic Council and committee rapporteur at the Europe-America Conference

Against the background of mounting economic frictions and political tensions between the United States and a resurgent Europe, 400 eminent Europeans and Americans, on the initiative of the International European Movement, met in Amsterdam March 26-28.

The major purpose of this “Europe-America Conference” was to discuss, in a spirit of inquiry free of governmental restraints, the new roles of the European Community and the United States and their relations in the next decade. Under the chairmanship of Professor Walter Hallstein, President of the European Movement and former EC Commission President, and under the patronage of Prince Bernhard of the Netherlands, the conference brought together “Atlantic citizens” from 12 nations—the nine members of the European Community, Norway, Canada, and the United States. Participants included former government officials, scholars, businessmen, labor leaders, and journalists.

The convening of the Europe-America Conference, the largest nongovernmental gathering of its kind, was based on a three-fold rationale:

- the danger that, in an era of economic primacy under conditions of East-West détente, Europe and America were drifting toward economic protectionism and political isolationism
- comprehensive negotiations this year on such controversial issues as trade, monetary reform, and defense burden-sharing, as well as European security and mutual balanced force reductions
- the European Community’s call at its Paris “Summit” last October for “constructive dialogue” between the Community and the United States, as well as other industrialized nations.

Specifically, the conference’s sponsors hoped that this transatlantic dialogue would air conflicting views and thus release frustrations and irritations that have been building on both sides of the Atlantic due to changes in the roles and the relative power of the new Europe and the United States. They hoped also to identify factual points of friction, as opposed to the *myths en vogue* that divided Europe and America, while stressing the enduring Atlantic interdependence, and paving the way for fruitful negotiations between government officials. Conference participants were to explore the possibility of creating permanent institutionalized machinery for dialogue between the Community, the United States, Canada, and Japan, perhaps modeled after the “Committee of Entente,” originally proposed by Jean Monnet’s Action Committee for the United States of Europe in 1967.

ATLANTIC ASSESSMENTS VARY

Discussions during the three-day conference focused on foreign policy, security, and economic issues. Hallstein called on the participants not to dramatize transitory disputes and to maintain a sense of perspective regarding the need for Atlantic solidarity, while North Atlantic Treaty Organization (NATO) Secretary General Joseph M.A.H. Luns warned Europeans that “prosperity

is not a substitute for security.” EC Commission President François-Xavier Ortoli advocated a “frank and realistic” approach to European-American problems. He said that, despite changes, “interdependence of our actions on the one side of the Atlantic and the other is evident. It is a community of interests which links us. . . . Hence the famous bridge linking the two sides of the Atlantic with its two pillars appears now less like a buttress which is carrying the common weight of defense but rather as an immense highway with a busy two-way traffic flow. . . .”

The most dramatic analysis of the present state of Atlantic affairs was provided at the final luncheon meeting by former Under Secretary of State George W. Ball, a long-time supporter of European unity. He said that the United States is becoming increasingly disillusioned with a parochial and disunited Europe and warned of a creeping “Gaullism” in the United States where unilateral action was easier than consulting with bickering and divided allies. Ball saw “evidence of a significant shift in the direction of American foreign policy . . . a shift away from an alliance policy toward the kind of unilateralism so brilliantly practiced by General de Gaulle but this time supported by the weight and resources of a superpower.”

In conclusion, Ball suggested that “since there is an inevitable interaction between what is said and done on each side of the Atlantic, there is a danger that we may, by indifference or carelessness or simple pique and frustration, create a climate in which these dangerous trends will be encouraged and intensified. . . . Although I know that it is now fashionable in some European quarters to regard the concept of an Atlantic partnership with considerable cynicism . . . it still seems to me that this conception is fundamentally sound. No one has proposed anything nearly as attractive to replace it. Unfortunately, however, although Europe has made notable progress in building a mass market that has benefited not only Europeans but my own country as well, progress toward political unity has been lamentably slow and meager. . . . It is not surprising, therefore, that doubts are being increasingly expressed at high levels of government as to whether the European Community will ever be more than a trading bloc, basically antipathetic to United States’ interests.”

BRZEZINSKI CITES TWO TRIANGLES

Professor Zbigniew Brzezinski of Columbia University voiced a new conceptualization of international relations in terms of two compatible triangles: Washington-Moscow-Peking and Washington-Japan-Europe. This model clearly differs from the Nixon-Kissinger concept of pentagonal multipolarity in that the former distinguishes between allies and adversaries, while the latter implies that there are neither permanent friends nor permanent foes in international politics.

The German journalist Theo Sommer depicted the evolution of the European Community from the supranational Europe via the Gaullist Europe to the transnational Europe—the latter being

The Conference Resolves . . .

. . . After three days of discussion on the political, security, monetary, and trade problems now being considered by North America and the European Community, as well as on changes which have occurred and can be foreseen in world affairs,

Reiterating that common policy and desire in achieving of détente,

Without ignoring the fundamental importance of the interests of other parts of the world, and in particular of the developing countries,

The Conference recognizes that only cooperation between North America and the European Community can achieve mutually acceptable policies and avoid unilateral actions.

The Conference expresses its hope for an open and frank discussion between North America and the European Community on all problems of substance and of method concerning their relations, as was recommended by the European Summit Conference held in Paris in October 1972.

It therefore hopes that this dialogue will be organized between the official organs of the countries concerned and of the European Community within a suitable framework.

It believes it necessary that such a dialogue should be undertaken also between private organizations concerned with public opinion in North America and Europe.

It invites the organs of the European Movement on the one hand and the Atlantic Councils of the United States and of Canada and other concerned organizations on the other to determine the most suitable structure for such a dialogue between the two sides of the Atlantic.

the pragmatic Europe of the possible in which the "Nine" will continue their slow drift toward unity. While foreseeing greater economic rivalry between Europe and the United States, Sommer was in favor of the Atlantic Alliance as an insurance policy against a possible miscarriage of the desirable détente process.

Max Kohnstamm, vice president of Jean Monnet's Action Committee for the United States of Europe, warned that the prevailing mood of recrimination in the Atlantic world, the continuing absence of a united Europe, and the preoccupation with domestic politics in the West endanger the operations of Atlantic institutions which depend on a basic policy consensus. In the absence of this vital consensus, these institutions become merely forums for dramatizing divergent views, Kohnstamm said. Hence he called on governmental leaders to delegate more sovereign



The first Atlantic Conference: President Franklin D. Roosevelt and British Prime Minister Winston S. Churchill meet off the Newfoundland coast, August 1941. The meeting resulted in the Atlantic Charter. Photo: National Archives, Washington, DC.

powers to common institutions. Former US Under Secretary of State Eugene V. Rostow, now a Yale professor, projected trends in international commerce, finance, defense, resources, and communications, leading to a smaller, more tightly integrated, and more dangerous world. Such a world soon may have no alternative but genuine peace, Rostow concluded.

The major themes of the papers and the ensuing debates in the security discussions emphasized the need for continued vigilance in an era of East-West détente. Although desirable, détente is no substitute for Western solidarity, the report said.

The papers by Henry H. Fowler, former US Treasury Secretary, and by Claudio Segré of France, focused on necessary world monetary reform and made constructive proposals for international financial management mechanisms. Arthur Smith, a Canadian economist, proposed the creation of institutional machinery to cope with the complex commercial problems of the Seventies and admonished political leaders to overcome national goals in favor of an internationalism which reflects the realities of an increasingly interdependent world. Oil company consultant Walter J. Levy of New York, warned that the West's fast-growing energy needs may produce "tremendous and lopsided shifts in the balance of power of a potentially explosive character." He urged the nations of the West to join forces to meet the challenge of the Mideast oil cartel.

CONFERENCE'S ACHIEVEMENTS DEPEND ON EXPECTATIONS

The Amsterdam meeting did not produce immediate, specific solutions to the complex problems facing the Atlantic nations in the Seventies.

Despite its shortcomings, the conference, by attracting distinguished participants and providing a forum for lively discussions, seemed to refute the belief that the Atlantic partnership has become obsolete. On the contrary, as Presidential Assistant Henry A. Kissinger stated correctly in his "Year of Europe" address, the time for the realization of this ambitious design is now.

Partnership, Not Association

Yaoundé Convention to Be Replaced

There will be no Yaoundé III. It is not just a question of dropping a controversial label. The European Community's new agreement or agreements with the tropical world will be based, in the words of EC Development Aid Director Hans-Dieter Krohn, on "partnership, not association."

This is the theme of proposals made by the EC Commission to the Council of Ministers. The April 4 proposals came in the form of a 71-page memorandum from Commissioner Jean-François Deniau, who has since left to become a member of the French Government.

If the proposals are accepted, the Community will neither demand nor seek reverse preferences—which have always been a sore point with the United States. However, it would not refuse them if tropical countries offered them. The Community sees reverse preferences, in part, as a lever which developing countries could use to get a better deal in aid and investment from non-Community developed countries, such as the United States or Japan.

In the negotiations for arrangements to replace Yaoundé II, which expires January 31, 1975, it should not be the Community's goal to seek market advantages in the developing countries at the expense of the United States or other developed countries, the proposals say. The negotiations are about to begin and are expected to last up to 18 months.

Hand trawling on the Atlantic coast near M'Boro, Senegal. Development aid sometimes provides outboard motors for the canoes which drop the fishing nets. Photo: Maya Bracher, Dakar, Senegal.

Since its beginnings in the early Fifties, the Community has recognized that it has obligations to the "Third World." For most tropical countries, the Community is the main export market, especially for products or commodities not covered by generalized preferences.

ASSOCIATION WOULD BE FLEXIBLE

Under General Agreement on Tariffs and Trade (GATT) rules, the only commercial ways in which responsibilities to help development can be fulfilled are by establishing a free trade area or by making special arrangements for specific products. Whatever the arrangements, the developing countries would remain free to establish their tariffs in regard to other countries. If they can secure generalized preferences for some products from the United States or Japan, for instance, and wish to go to zero tariffs as a *quid pro quo*, the Community would find nothing unreasonable in this. As Krohn has emphasized, the long-term goal should in fact be zero tariffs.

Also due for renewal is the Community's "Arusha" agreement with Kenya, Tanzania, and Uganda. But under the terms of the Deniau proposals, the developing countries would no longer have to choose between "Yaoundé," "Arusha," and trade agreements. The choice would be between trade agreements and a totally flexible new form of association. The only guideline on





Nomads fill water skin, made of a whole goat, in Upper Volta. EC development aid has helped build wells in this desert region. Photo: Maya Bracher, Dakar, Senegal.

this point would be that the new relationship should not leave the former (Yaoundé and Arusha) Associates worse off than they were before—and of course that there should be no discrimination between old and new Associates.

Neither would the offer of association be limited to dependencies of the "Nine." Liberia, which was never colonized; Ethiopia, which had only a brief military occupation, 1936-41; Sudan, a former Anglo-Egyptian condominium which never belonged to the Commonwealth, and (ex-Spanish) Equatorial Guinea would all be eligible. So would Guinea, an ex-French colony which disapproved of the Yaoundé Convention and never accepted EC association in the past.

QUALITY OF LIFE UPLIFTED

Community experts see a need to reappraise the question of what constitutes "growth" in stunted economies. Aid, it is agreed, should certainly not contribute to inequalities of wealth distribution since this would be merely building political and social conflict. Nonetheless, they reject the idea of judging aid only by its effect on per capita income.

In the Sahel region of West Africa (between the desert and the savannah), for example, European Development Fund (EDF) aid has drilled domestic wells which make no difference to wealth but whose usefulness is incontestable. The "quality of life" factor can, the experts reason, be more important than revenue increase. In the Sahel case, a dubious water supply, tiresome to fetch and carry, so inadequate as to preclude, say, washing

clothes—but adequate enough to carry disease—was replaced by 30 deep wells at a cost of \$1.5 million. Now there is clean water in the area for cooking and washing as well as drinking, and a debilitating chore has been abolished. But the per capita income of the area is still about \$20. Does this mean, EC experts ask, that "well aid" is unsuccessful?

In response to African criticisms of Yaoundé I and II, regionalism in the Third World is to be encouraged. If the Deniau proposals are accepted, some EDF aid will go to regional projects, which may and probably will benefit non-Associates as well as Associates. Even at present, the free trade areas established between the Associates do not restrict the freedom of those states to fix their own trade policies with third countries. Associates can maintain or introduce customs duties or quotas against Community imports for budgetary or development reasons, including the promotion of regional cooperation. If they wish, Associates can give more preferential treatment to fellow developing countries than to their EC partners. EC experts accept that association should not be a divisive element in Africa, as it (largely unintentionally) became in the past.

REVERSE PREFERENCES CRITICIZED

The strongest argument against association, voiced by such countries as Nigeria, is that it subordinates developing countries to Europe. Reverse preferences have been criticized as preventing African Associates from buying in the cheapest markets. Madagascar, for instance, imported more from distant France than from such neighboring low-price sources as India, Taiwan, Hong Kong, China, or Japan. It is said that association perpetuates the developing countries' "role" as purveyor of raw materials and importer of richer countries' finished goods—a position less and less tolerable as commodity prices decline while the price of manufactures rise.

To a degree, trading conditions are bound to be affected more by big, influential economies than by modest ones. In the association talks about to start, however, it should not be the Community's intention to preserve a "subordinate" status for the Associates, or to prevent Associates from buying in the cheapest markets, or to limit the creation of import-substitution industries or other forms of industrialization, the proposals say.

As the world moves ponderously toward the zero-tariffs Utopia, EC development aid technicians think developing countries can compensate for revenue losses by other forms of fiscality. European countries which lose by the winding-down of reverse preferences will be able to compensate by access to wider tropical markets.

The Community experts' view is that association in some form is preferable to a "simple" trade agreement because GATT rules usually oblige signatory countries to extend trade agreement privileges to all GATT countries. Association involves mutual concessions and gives the Associates bargaining power with



Carving a canoe, used for fishing and transport, in the Casamance Province of Senegal.
Photo: Maya Bracher, Dakar, Senegal.

third countries. Nonetheless, Europe, the experts feel, should not oppose localized free trade areas in Africa or other tropical regions. Europe should favor the industrialization of "unindustrialized" countries. EDF aid should not be proportioned according to preferences made to Europe by the countries concerned.

EC AIMS FOR STABILIZED INCOMES

EC development experts recognize that neither free trade nor financial aid is sufficient to promote adequate development in developing economies if those countries cannot have reasonable stability in the income which they derive from their national resources. The problem of export earnings stabilization must be resolved, especially for those countries whose earnings are fundamentally dependent on one or a few products.

The Commission proposes setting up a system of compensatory payments which would give the countries concerned an assurance of stable and adequate income for certain primary products, without interfering with normal market mechanisms. These payments would go mainly toward the countries' economic development, modernization, and diversification. The products in question (selected according to each country's dependence on the income expected from them and their price instability) could, it is proposed, include the following: sugar, peanuts and peanut oil, cotton, cocoa, coffee, bananas, and copper. (Special arrangements must be envisaged particularly for sugar, taking into account existing or future agreements.) Without compromising the practical independence of the Asso-

An African Viewpoint

Some major African complaints about their trading relations with Europe have been:

- The Associates' trade preferential position with the Community has been eroded by cuts in the Community's common external tariff, by generalized preferences, and by the common agricultural policy, which hampers African agricultural exports to the Community.
- The industrialized countries have not consulted the world's tropical majority over monetary issues.
- Rising industrial import prices, compared to falling prices for African commodity exports, have reduced the already low purchasing-power of Africans.
- Industrialized countries tend to prefer processing tropical products themselves instead of investing in local African industry.
- There have been delays in approving and carrying out projects of the European Development Fund.
- Europe has not invested in African tourism, a labor-intensive industry and a major foreign-exchange earner.

There have been many voices in praise of association. The Ivory Coast's Vice President Philippe Yacé has said: "An association between as much of Europe and as much of Africa as possible would be a factor for progress in the world."

President Léopold-Sédar Senghor of Senegal has defended reverse preferences, saying aid without any strings attached is patronizing.

Summing it up for a Kenyan audience when he was US Ambassador there, William Atwood, now publisher of *Newsday*, said African countries should approach all offers of aid "the way porcupines make love—very, very carefully."

ciates, a system is needed that will protect developing countries, at least in part, from the effects of inflation in Europe, the proposals say.

Enlargement of the Community from six to nine nations necessarily means increased European aid, the memorandum notes. A special effort should be made for the least developed states. Regional, multinational aid should have a high priority, and the Community should stimulate the development of regionally based corporations.

The overall aim should be partnership—for the mutual benefit of Europe and its partners. But the highest priority of all should be given to the need to narrow the gap between the haves and have-nots.

Recent Books

European Community periodically lists books dealing with Community and Atlantic topics. Prices are also given when known. This presentation does not indicate approval or recommendation of these publications which can be purchased or ordered from most booksellers.

Crisis in the Industrial Relations in Europe. By W. Albeda et al. De Tempel, Bruges, 1972. 383 pages.

A collection of the principal papers presented at a symposium on social problems held in March 1971 at the College of Europe and co-sponsored by the Commission of the European Communities and the Belgian Labor Ministry.

The symposium focused on recent trends in European management-labor relations. After examining the period 1960-68 as one of gathering crisis, the book views the "rupture" of 1968-70: the recourse to "direct action" by French labor unions, "contestation" in Italy, "wild-cat" movements in Britain, and similar trends. It concludes with predictions of likely responses: new fields of action for collective bargaining, increasing worker participation in management, and the impact of multinational corporations on labor relations.

ABC de l'Europe. By François Visine, R. Pichon and R. Durand-Auzias, Paris, 1967-72. 5 vols.

A reference work grouping key facts on Europe, each volume dealing with a specific subject area: political, legal, economic, technological, and military.

Designed basically as a work tool, the ABC provides pertinent facts in each of the fields under study: names, dates, organizations, chronologies, and abbreviations. The volumes on political and economic Europe include comprehensive directories of major groups concerned with integration.

Le Droit de la Communauté Economique Européenne. By Jacques Megret et al. Editions de l'Université de Bruxelles, Brussels, 1972. 514 pages with appendices and bibliography.

A study of Community competition law as defined by the Common Market Treaty.

The fourth in a continuing series of volumes on Community law (the preceding three dealt with the free flow of goods, agriculture, labor mobility, establishment of services, capital, and transportation), the book examines the pertinent Common Market Treaty articles (85-94) and "derived law." Supplementing the main analysis is a list of the applicable texts, the most important ones quoted at length, as well as key decisions of the European Court of Justice and written questions submitted by the European Parliament to the Commission.

Additional volumes on harmonization of legislation, fiscal law, and economic and social policy are being compiled.

The European Community and the Outsiders. Edited by Peter Stinglein. Longman Canada Limited, Don Mills, Ontario, 1973. 168 pages. \$5.25.

The principal papers from a symposium on the Common Market held at Waterloo Lutheran University, Ontario, Canada.

The authors explore the Community's relations with non-member countries, including the impact of EC "foreign policy" in the international system, imports from non-members, reverse preferences by the Associated States, and the Community's role toward Canada, the Nordic countries, and Eastern Europe. These case studies "show how the Community has developed into a pole of world politics," although they conclude that the Common Market is not yet a superpower.

Westminster to Brussels: The Significance for Parliament of Accession to the European Community. PEP, London, 1973. 28 pages.

A study of the effects of Britain's Common Market membership on its parliamentary institutions.

The booklet states that "the challenge is to adapt to new circumstances in which the responsibility of national ministers to national parliaments no longer suffices." To safeguard democratic control, it is recommended that the British Government make advance information on coming Community

issues available to Parliament. The report underlines the identity of interest between Westminster and the European Parliament at Strasbourg in protecting democratic processes and urges increased powers for the European Parliament.

Businessman's Guide to the Common Market. By Derek Prag and E. D. Nicholson. Pall Mall Press, London, 1973. 462 pages with appendices and index.

A practical guide to small businesses manufacturing and selling in the Common Market.

The authors start with the premise that small businesses, unlike large international companies, do not have their own market research departments. Part I explores such basic features of the Common Market as population, patterns of consumption, and national wealth. Part I also explains the Community's policy achievements and shortcomings in such business related areas as labor, taxation, transport, and commercial policy. Part II explores the implications of these policies for small businesses deciding where to locate in the Common Market.

Security in Europe. By Robert Hunter. Indiana University Press, Bloomington, 1972. 281 pages with bibliography and index. \$8.95.

An analysis of European security policy from the "Cold War" to the present "détente."

The book examines how the European continent, including the Eastern bloc, has dealt with problems of security since World War II. Security issues are viewed in the larger political context. The author sees the Cold War as an unprecedented solution to postwar tensions and the product of a "security vacuum" in the late Forties. He develops the thesis that Europe's preoccupation with security during this period reflected the desire not only for military preparedness but also for political stability and economic recovery. In tracing progress toward détente, he discusses the concept of threat and "guiding institutions," particularly international agreements.

Wage Restraint: A Study of Incomes Policies in Western Europe. By Lloyd Ulman and Robert J. Flanagan. University of California Press, Berkeley, 1971. 257 pages. \$7.50.

An assessment of public policies affecting wages "in the major European countries which have experimented with incomes policy" (Britain, the Netherlands, Sweden, Denmark, France, Germany, and Italy).

Intended as a guide to policymakers, the study presents a country-by-country account of incomes policies as they have shaped wages. The authors conclude that efforts to date have been unsuccessful in the basic objective "of making full employment consistent with a reasonable degree of price stability."

"If," they say, "incomes policy is to play an effective role in reconciling politically acceptable levels of employment with politically acceptable levels of price stability, its scope must be considerably broadened, and, in the process, social costs and risks must be accepted."

Agricultural Marketing and the EEC. By Michael Butterwick and Edmund Neville-Rolfe. Hutchinson, London, 1971. 28 pages with index.

An evaluation of agricultural market regulation in the European Community.

Written prior to EC enlargement in January 1973, the analysis compares agricultural marketing systems on both sides of the Channel and predicts likely developments in Britain following Common Market entry. The early chapters place the two systems in political and historical perspective, discuss major trends in food processing and distribution, and describe the activities of the "intervention agencies" in each EC member state. The authors examine marketing procedures by product in the original six Community countries, forecasting greater producer participation in the disposal of agricultural commodities and continuance of the present "intervention" policy.

Publications Available

Publications listed may be obtained from the European Community Information Service, Suite 707, 2100 M Street, NW, Washington DC 20037. Persons in the New York area can order copies from the New York office, 277 Park Avenue, New York City 10017.

EUROPEAN INVESTMENT BANK: OPERATIONS IN THE ASSOCIATED AFRICAN AND MALAGASY STATES AND THE ASSOCIATED OVERSEAS COUNTRIES AND TERRITORIES. European Investment Bank, Luxembourg, 1973, 20 pages free

Describes in detail the scope and conditions of loans made to the associated states and overseas countries and territories. Includes a technical annex describing documents to be supplied to the Bank by borrowers.

LA JURIDICTION DU TRAVAIL ET LA JURIDICTION DE LA SECURITE SOCIALE DANS LES PAYS DE LA COMMUNAUTE EUROPEENNE. *Collection du droit du travail.* Commission of the European Communities, Luxembourg, 1973, 613 pages. . . . \$10.00

Collection of national reports on labor and social security legislation and judicial organization for dispute settlement in the six Community members as of January 1, 1968. Contains a summary of the similarities and differences between the national systems.

ORGANISATION ET PLANIFICATION DE LA RECHERCHE ET DU DEVELOPPEMENT AUX PAYS-BAS. EUR 4814 d, f, n. *Recherche et Développement* No. 2. Commission of the European Communities, Luxembourg, July 1972, 134 pages. \$3.60

By J. Passenier and R. Ruiter. Survey of the organizational structure and policy for research and development in the Netherlands.

THE SECOND YAOUNDE CONVENTION: GREAT POSSIBILITIES FOR PRIVATE INVESTMENT IN AFRICA. Commission of the European Communities, Brussels, 1973, 21 pages. free

Outlines the business incentives offered under the Yaoundé Convention. Covers the availability and mechanics of aid given by the European Development Fund and European Investment Bank and includes trade preferences, right of establishment, and capital movements.

ADDRESS BY FRANCOIS-XAVIER ORTOLI, PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES, TO THE EUROPEAN PARLIAMENT. Commission of the European Communities, Brussels, February 13, 1973, 24 pages. free

Presentation of the 1972 General Report and the Commission's 1973 program.

SPEECH BY SIR CHRISTOPHER SOAMES IN THE DEBATE ON US-EUROPEAN RELATIONS. Commission of the European Communities, Brussels, 1973, 9 pages. . free

Statement by Commission Vice President Christopher Soames in the European Parliament on May 8, 1973. Vice President Soames replied to some of the points raised by Henry A. Kissinger in his speech on April 23 in New York.

GATT NEGOTIATIONS: THE EC APPROACH. *Background Note* No. 9, 1973, European Community Information Service, Washington, D.C., April 20, 1973, 14 pages. free

An abbreviated version of the Commission's memorandum on an overall approach to trade for the coming multilateral negotiations in the General Agreement on Tariffs and Trade (GATT). It discusses trade liberalization, general negotiation objectives, industrial tariffs, nontariff barriers, agricultural trade, and safeguards.

UNITING EUROPE: THE EUROPEAN COMMUNITY SINCE 1950. Commission of the European Communities, Brussels, February 1972, 24 pages. free

Outlines the development of European integration since 1945 and describes the Community's achievements up to the beginning of 1972.

LES ETUDES ECONOMIQUES ET FINANCIERES SUR LA SECURITE SOCIALE. Commission of the European Communities, Brussels, 1971, 81 pages. \$1.00

Available in French and German. Analysis of three studies prepared for the Commission on the costs, economic effects, and financing of social security in the original six EC member states.

COMMERCIAL POLICY OF THE EUROPEAN COMMUNITY. European Community Information Service, Washington, DC, 1973, 12 pages. free

Brochure on the administration of the Community's customs union and trading arrangements. The system for imports from non-members, quantitative quotas, customs valuation, origin of goods, anti-dumping, inward processing, the Community's trade agreements, and generalized preference system are covered.

LANDMARKS IN EUROPEAN COMMUNITY PROGRESS TOWARDS ECONOMIC AND POLITICAL UNION. *Information* No. 30/72. Commission of the European Communities, Brussels, 1972, 3 pages. free

Chronology of the action program approved at the Conference of Heads of State or Government in Paris on October 19-20, 1972.

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