



CONTENTS

3 Dateline Europe

4 Community News

- 10 **Prospects for Economic and Monetary Union** *John Pinder*
Is EMU a dead duck or a phoenix? The Director of Political and Economic Planning and long-time student of European integration offers his assessment.

- 12 **Economic Woes** *Ferdinando Riccardi*
EMU's prospects are of course tied to the general economic situation in the Community. The EC Commission analyzes the situation and calls for action.

- 14 **Transatlantic Turmoil** *H. Peter Dreyer* **ATLANTIC FORUM**
The European news editor of *The Journal of Commerce* gives his interpretation of current US-European relations.

- 17 **Science and Technology** *David Fouquet and John Nielsen*
The EC "Nine" are moving toward a common policy for scientific and technological research. Two American journalists trace the policy's development.

22 Letters to the Editor

23 Recent Books

24 Publications Available

COVER (see pages 10 and 12)

PHOTO AND CARTOON CREDITS

Unless otherwise noted below, photos are from the European Community Information Service, and cartoons from Rothco Cartoons, Inc., Yonkers, New York.

page 14: US Navy Department, The National Archives, Washington.
page 20, left: British Information Services, London.

European Community is published in English, French, Italian, German, Dutch, Greek, Spanish, and Turkish by the offices of the European Community Information Service. Subscriptions can be obtained from the European Community Information Service.

Washington, D.C.
2100 M Street, N.W., Suite 707, 20037
New York, N.Y.
277 Park Avenue, 10017
Berlin
Kurfürstendamm 102
Bonn
Zitelmannstrasse 22
Brussels
200, rue de la Loi
Copenhagen
Gammeltrø 4
Dublin
41 Fitzwilliam Square
Geneva
37/39 rue de Vermont
London
20 Kensington Palace Gardens
Luxembourg
Centre européen Kirchberg
Paris
61, rue des Belles-Feuilles
The Hague
Lange Voorhout 29
Rome
Via Poli, 29

EDITOR-IN-CHIEF
Leonard B. Tennyson
MANAGING EDITOR
Walter Nicklin

The views expressed by contributors do not necessarily reflect the policies of the European Community. The editorial contents of *European Community* may be quoted or reproduced without further permission, unless expressly prohibited. Permission must be obtained to reproduce illustrations, except graphs and charts. Due acknowledgment to *European Community* and credit to the author of any signed article are requested.

The member countries of the European Community are Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, and the United Kingdom.

This material is prepared, edited, issued, and circulated by the European Community Information Service, 2100 M Street, NW, Suite 707, Washington, DC 20037, which is registered under the Foreign Agents Registration Act as an agent of the Commission of the European Communities, Brussels, Belgium. This material is filed with the Department of Justice where the required registration statement is available for public inspection. Registration does not indicate approval of the contents of the material by the United States Government.

Dateline Europe

ITALIAN IMPORT CURBS were temporarily authorized by the EC Commission on May 8. The Italian restrictions, which require importers of finished and semi-finished goods to place half the value of their imports with the Bank of Italy for six months without interest, were invoked to head off a projected \$10 billion trade deficit this year. The Commission's authorization came under Article 109 of the Common Market Treaty, which says a member country facing "a sudden crisis in the balance of payments...may, as a precaution, take the necessary protective measures." The Commission reserved the right to review the Italian restrictions and decide whether they may continue after July 30. The Commission also wants to end Italian import-deposit measures on farm products as soon as possible, for their continuance compromises the Community's common agricultural policy.

RESEARCH GRANTS, awarded by the EC Commission for the study of European integration, are open for applicants. The grants are offered to young postgraduate research students or assistants and junior lecturers studying European integration either individually or as a team at universities or European studies and research institutes. Applications must reach the EC Commission's Information Directorate General by June 30. Forms may be obtained from the European Community Information Service, 2100 M Street, NW, Washington DC 20037

BRITAIN'S ANNOUNCEMENT OF INTENT TO RENEGOTIATE its EC membership terms has brought a response from Britain's two members of the EC Commission. Commission Vice President Christopher Soames, responsible for EC external relations, told Britain's Institute of Export on May 2 that "the first year's experience in the Community has been very satisfactory for (Britain's) exports." He pointed out that five of Britain's six

largest customers are Common Market countries. George Thomson, EC Commissioner responsible for regional policy, told the Royal Commonwealth Society on April 26, "For Britain the Commonwealth is not an alternative to the Community." Noting that the age of cheap food is "over for good," he pointed out that Britain is getting its wheat less expensively from France than from Canada and that the Commonwealth sugar and butter quotas into Britain are underfilled. The best service Britain can perform for the Commonwealth, Thomson added, is to make a success of EC membership.

THE FUTURE ROLE OF GOLD in international monetary arrangements was the subject of discussions between Dutch Finance Minister Willem Duisenberg and US Treasury Secretary William Simon in Washington on May 13. Duisenberg reported on two recent EC Council propositions: 1) special drawing rights (SDR's) should become the future monetary system's main reserve asset and arrangements for gold in the interim should be consistent with that goal; 2) such interim arrangements should allow monetary authorities to utilize monetary gold stocks as effective instruments of international settlement. In a statement to the press, Simon agreed with Duisenberg that the future role of gold, including interim measures, should be settled by agreement on the broadest possible international basis. Simon emphasized that primary consideration should be given to ensure that any changes in gold-related international agreements would help to reduce the role of gold and to further the evolution of economically responsive international monetary arrangements.

VALERY GISCARD D'ESTAING AND HELMUT SCHMIDT, as the new heads of government of France and Germany respectively, are, in the words of Flora Lewis of *The New York Times*, "expected to bring a new momentum to the search for European unity, focused especially on French-German cooperation. The two men know each other well and are said to get along well. By the same token, an improvement can be expected in American-European relations." Giscard d'Estaing was elected May 19 to succeed the late President Georges Pompidou. Schmidt became German Chancellor on May 16, after the resignation of Willy Brandt, who is expected, out of office, to continue his efforts for a "European union."

Community News

US-EC Relations

Berkhouwer Visit

US-European links "can become firmly welded only when European Union is a fact and part and parcel of the day-to-day existence of our institutions and peoples," European Parliament President Cornelis Berkhouwer told a conference on "American Foreign Policy and the New Europe" in Blacksburg, Virginia, April 18. The conference was sponsored by the Virginia Polytechnic Institute and the University of South Carolina.

Noting that uneasiness in US-EC relations in the past was confined to the economic sphere, Berkhouwer pointed out that major difficulties were avoided through arrangements for regularly discussing matters of contention. Berkhouwer called for achieving the same result in political matters. On defense, he said unilateral withdrawal of US troops from Europe would only worsen US-EC relations and would jeopardize European security without any real progress toward détente.

Krag Sees Isolation

Jens Otto Krag, head of the EC delegation in Washington, told a Council on Foreign Relations lunch in New York that American isolationism, not US domination, is the main threat to US-EC relations.

He said the danger was of "an isolated United States and a European policy which does not recognize the necessity of Atlantic solidarity. Such a European policy would strengthen isolationistic forces in this country and threaten the foundation of a policy which has maintained the peace and

Europeans are unanimous in proposing serious, sustained, and reciprocal consultations between the United States and the Community, he said. However, European reservations exist over the establishment of procedures going beyond information exchanges and consultations. The United States, he asserted, should make the best use of these procedures by making them truly reciprocal rather than demanding the right to be given prior notice of all EC decisions.

While there are different interpretations of US-EC relations, Berkhouwer underlined the common interest held by both sides and the "common fund of human and political values which underlies our solidarity and our common destiny."

In addition to participating in the conference, Berkhouwer gave an address in San Francisco April 15 and held talks with senior US Administration officials and Congressmen in Washington.

freedom of the Western world for 25 years."

Krag also made the following points

- On US demands for "linkage" between economic, political, and defense problems affecting the United States and Europe: "The general acceptance of parallelism is not possible for Europe. This is true in spite of the acknowledged need for US-European solidarity to guarantee Western Europe's freedom."

- On US claims that Europe is not paying its share of defense: "The

truth is that European military budgets have never before in peace time been so large. Western Europe provides about 75 per cent of NATO's ground troops, 80 per cent of the Navy, and 75 per cent of the Air Force. The Western European defense budget has risen more than 30 per cent over the last three years."

- On US charges that Europe's Mideast policies compete with Washington's: "No steps have been taken which could hamper

Mr. Kissinger's negotiating efforts."

- On British renegotiation: "It is my hope that the European Commission, the Council of Ministers, and the European Parliament will show flexibility. If this is the case the British wish for renegotiation might turn into an advantage for the Community by creating a new dynamic and paving the way for new decisions in areas where no progress has been made in late years."

Eisenhower Fellows

This year marks the beginning of the "Eisenhower Exchange Fellowships," whereby Europeans and Americans in the same fields are given an opportunity to work and learn side-by-side with and from their transatlantic counterparts. The program is supported by the EC Commission, the US Mission to the European Communities, and private sources in the United States. The program's aim "is to establish closer and better working relations between the European Communities and the United States, as well as to improve the perspective from which the two areas might view their common problems."

The project started on a small

experimental basis with four participants for the trial year. In the field of energy policy, Robert de Bauw, head of the EC Commission's energy policy division, was paired with James W. Reddington, of the US State Department's energy office. The second field of concentration was fiscal policy, where Peter Troberg, principal administrator in the Commission's banking, insurance, and company law division, was paired with Samuel B. Chase, Jr., associate director of Federal Reserve System's research and statistics division.

If the trial year proves successful, future participants will be selected by multinational committees from as wide a representation.

Amsterdam Study

Amsterdam University's Europe Institute is sponsoring a course on European integration, August 19-30. It is open to lawyers and civil servants familiar with Community problems and will be conducted in English. Tuition fee is 600 florins (about \$230). Further information may be obtained from the Netherlands Universities Foundation for International Cooperation (NUFFIC), 27 Molenstraat, The Hague, Netherlands.

US Farm Exports

US farm exports to the Community hit \$4.5 billion in 1973, a 66 per cent rise over 1972, according to the US Department of Agriculture.

The March 4 issue of *Foreign Agriculture* reported that grains accounted for most of the increase in US exports to Western Europe. Other gains were noted in exports of cotton, meats, turkey parts, fruit and vegetables, and soya products.

Economy

Paper Industry

Shortages, pollution, and obsolescence are among the troubles plaguing the EC paper industry, according to a Commission report released on April 3.

The diminishing wood supply could be supplemented by substitutes, the study said. The Commission has made proposals for

forest improving and for afforestation. Recycling would also help.

The Commission estimated that the "Nine" will have to spend UA 680 million (\$816 million) improving paper supplies in 1976-81. The Community farm fund could grant UA 170 million (\$204 million) to aid forestry projects.

Europeans Still Save

Consumers are still saving their money, despite inflation, according to the EC Commission.

Answering a written question from Bernard Cousté, Vice President of the European Parliament, the Commission said on March 22

that household income has risen considerably even though money is worth less. Inflation seems to have stimulated investments in dwellings, included in savings statistics, the Commission added.

External Relations

Scheel at the UN

The European Community sees the need for a new world-wide economic equilibrium, acting Council of Ministers President Walter Scheel told the United Nations General Assembly meeting on raw materials April 11 in New York. Efforts to avoid economic recession and to curb world-wide inflation, he said, "can only take place in a spirit of solidarity among all states."

Referring to the adverse effect skyrocketing raw material prices have had on the buying power of the developing countries, Scheel pointed out the Community's past and present interest in the well-being of those countries. The Community was the first to intro-

duce a system of generalized preferences and favors the adoption of such a system by all industrialized countries. He added that the Community sees the multilateral system of economic relations as useful and effective and will seek to strengthen it in the General Agreement on Tariffs and Trade negotiations, the International Monetary Fund, the United Nations Committee on Trade and Development, and elsewhere. The Community will also participate in finding new methods for allowing all countries to have satisfactory access to raw material resources.

Despite their own economic problems, Scheel said the nine EC member states will continue their

efforts to maintain and expand EC development aid, both bilaterally and through multilateral institutions. With regard to the effect of the high cost of imported products on developing countries, Scheel said the Nine will examine the

most effective ways of setting up a special international aid project to help these countries. This would be done, he continued, in conjunction with all interested states and international organizations.

Sahel Aid

The European Community dispatched 30.5 million units of account (UA) in food aid to the famine-stricken Sahel region of Africa in 1973, the Commission said April 9 in response to a written question from a member of the European Parliament. (One UA equals \$1.20635 at current rates.)

Nearly 109,000 tons of cereals and 13,000 tons of powdered milk were sent to Upper Volta, Mali, Mauritania, Niger, Senegal, Chad, and Ethiopia. Despite transportation, storage, and distribution difficulties, 85 per cent of the aid was dispatched before or during the period of shortage, the Commission said. The Community paid transport costs both to the African ports of debarkation and to the aid distribution centers. Additionally, several EC

member states placed trucks, aircraft, and other special transport facilities at the Sahel countries' disposal.

The Community's 1974 food aid program calls for sending 130,000 tons of cereals, 14,000 tons of skimmed milk powder, and 6,000 tons of butter oil to the same countries. The Community has decided to improve transport and storage facilities in 1974 by

- providing and maintaining trucks capable of traveling over dirt roads to distribution centers
 - repairing and constructing roads to eliminate the need for airlifts
 - constructing mobile and easily built medium-sized warehouses.
- The European Parliament has added UA 5 million to the EC budget for these purposes.

Greece Association

Commissioner Claude Cheysson told a European Parliament debate April 3 that the Community should not cancel its association agreement with Greece because of political developments there. The Community would continue to apply "the minimum part" of the association treaty, Cheysson said. The treaty contains no termination clause.

Cheysson, speaking in place of Commission Vice President Christopher Soames, who is responsible for the Community's external affairs, was responding to a question put by a member of the Par-

liament's socialist group, Horst Seefelf, in behalf of a fellow socialist, Ludwig Fellermeier; their question proposed cancellation of EC association with Greece.

Cheysson, responsible for EC development aid, said the Community was "shocked and scandalized" by "insupportable, intolerable" developments in Greece. He added the hope that "the rights of man and liberty will be re-established in Greece and that Greece may become once more what it has been in the eyes of humanity for 2000 years, a model of democracy."

Commonwealth Trade

Trade between the Common Market and non-member countries should increase now that Britain belongs to the Community, but "any attempt to calculate the effects on . . . Commonwealth countries would be premature," according to the EC Commission. The statement came in answer to a question put by a British member of the European Parliament, Lord Charles O'Hagan.

The Commission noted that Commonwealth countries in Africa, the Caribbean, and the Pacific were among the developing countries currently negotiating a new association agreement with the Community. Their present trading advantages with Britain would continue until the new association agreement comes into force on January 31, 1975.

The statement added that "in

the case of Bangladesh, India, Malaysia, Pakistan, Singapore, and Sri Lanka (formerly Ceylon), the Community has already introduced, in accordance with the Joint Declaration of Intent annexed to the Act of (British) Accession, a number of measures, notably in the framework of generalized trade preferences." The Community has just concluded a trade agreement with India. Special measures have been taken to assist New Zealand's British market.

The Commission told another British questioner, Labour member Dick Taverne, that the Community was negotiating an agreement on jute products with Bangladesh. There would be a 40 per cent customs suspension in 1974, a 50-60 per cent suspension in 1975.

Argentine-EC Trade

Argentina's three-year trade accord with the Community, which expires at the end of the year, was reviewed at a meeting of the Argentine-EC Joint Commission in Brussels on March 28.

The Argentinian delegation, led by Ambassador to the EC Ildefonso Recalde, submitted two lists of exports which it would like to see included under either the handmade products tariff or the generalized preference system.

Argentina also seeks a more stable European market for its beef and wants the next agreement with the Community to provide for economic, commercial, industrial, technical, agricultural, financial, and investment co-operation.

A joint group was set up to study the issues. The EC delegation was led by Deputy Director General for External Relations Wolfgang Ernst.

Soames Visits Yugoslavia

EC Commission Vice President Christopher Soames led a delegation of Commission officials on a visit to Yugoslavia April 29-30.

Soames, responsible for EC external relations, held talks with Yugoslavian Executive Council President Dzemat Bijedic, Council Vice President M. Minic, and Fed-

eral Secretary for Foreign Affairs Boris Snurdel. Soames also met with the Federal Secretaries for Agriculture and for External Trade.

A non-preferential trade agreement between the Community and Yugoslavia has been in force since September 1, 1973.

Ortoli visits Turkey

François-Xavier Ortoli, President of the Commission of the European Communities, made an official visit to Turkey April 25-28. Accompanied by a delegation of

high-level EC officials, Ortoli discussed EC-Turkey relations with President Fahri Koruturk, Prime Minister Bulent Ecevit, and Foreign Affairs Minister Turan Gunas.

People

Ortoli on Unity

Europe's new situation illustrates its problems and dependence and heavily underscores the need for unity, EC Commission President François-Xavier Ortoli told the European Parliament on April 24 in Strasbourg, France.

Ortoli rejected the idea that the Community should stop work temporarily. This would degenerate to stagnation, giving rise to the feeling that European progress is unnecessary. What's left of Europe's monetary solidarity must be pre-

served, and a "bridge" between those currencies in and out of the joint EC float must be maintained, he said (see page 10).

Pointing to the need for reinforcing Europe's institutions, Ortoli said the Commission sees no reason for not strengthening the Parliament's budgetary powers. Furthermore, he continued, "the Council should once again become a Council of Ministers," by deciding broad policy lines instead of debating details.

Energy

Nuclear Leaders

Germany will overtake Britain as Europe's leading nuclear energy producer during this decade, according to a Commission answer to a question put in the European Parliament by a French member, Bernard Cousté. Cousté asked for comparative figures of present and future nuclear capacity in the Community and elsewhere.

Britain now leads in fissile power with 14 nuclear stations yielding 5.6 gigawatts (GWe), followed by France with 11 stations (2.8 GWe) and Germany (11 stations, 2.3 GWe). Italy has three stations, the Netherlands two, and Belgium one. By 1980, the figures should

be: Germany, 30 stations (20 GWe); France, 23 stations (11.8 GWe), and Italy, nine stations (6 GWe).

Tentative figures for 1985 show Germany with 46 stations (40 GWe), France with 47 (37 GWe), Britain with 38 (30 GWe), Italy with 21 (18 GWe), and Belgium with nine stations (6.8 GWe). By then, the Netherlands hopes to have six stations, Denmark and Ireland two each. Luxembourg plans to stay with one reactor.

By 1985, the remaining countries in Western Europe hope to have increased nuclear power production from seven stations to

70. The Soviet Union, which currently has nine reactors, plans 25 by 1980. The rest of Eastern Europe should have increased nuclear stations from three to 19 by that year.

For comparison, the United States currently has 54 reactors producing 32.4 GWe. By 1980, the figures should be 155 stations and

130 GWe, with 310 stations yielding 300 GWe planned for 1985. Japan's seven reactors should be increased to 40 by 1980 and 65 (60 GWe) by 1985. Canada has six reactors and plans 13 (7.5 GWe) by 1980. Latin America should have five reactors by 1980. Non-Japanese Asia should have 12 reactors.

Council Scored

The EC Council of Ministers has been sharply criticized for remaining unconvinced of the urgent need for a Common EC energy policy, despite the Commission's efforts at persuasion.

The criticism came from the European Parliament's Energy, Research, and Technology Committee in its April 10 opinion on the seventh general report on Community activities. The Committee emphasized the Council's

inability to act despite the mandate for a common energy policy given by the EC Heads of State or Government at the December 14-15 "Summit" conference in Copenhagen.

The Committee urged the Commission and the Council to move toward creating independent and integrated sources of energy within the Common Market as a key to progress in other areas of EC policy.

Nuclear Power Stations

Nearly one-third of the world's operating nuclear power stations are in the European Community. Of a total 134 stations, the Common Market and the United States both have 42 stations. The EC Commission forecasts that by 1980 there will be about 400 nuclear stations, of which 90 will be in the Community.

Meanwhile, the Commission is

revising its four-year atomic research program, placing greater emphasis on reactor safety. The Brussels announcement included plans to close the oldest of three reactors at Ispra, Italy.

In other energy news, North Sea oil will cover 15 per cent of Community oil needs by 1980, says a Commission reply to a European Parliament question.

Committee Plan

A new strategy for a common EC energy policy is under development by the EC Energy Committee, set up January 31 to advise the Commission. At the Committee's April 5 meeting in Brussels, a plan "toward a new strategy for the Community's energy policy" was approved in principle.

The plan was to be detailed in late May and then forwarded to the Commission, which would then make concrete proposals to the Council by the end of June.

The Committee meeting covered: the Community's energy supply situation; energy prices and indirect taxation; and energy

work going on in the "Nine," the Organization for Economic Cooperation and Development, and oth-

er international organizations.

At the May meeting oil prices were to be the focus of discussions.

Environment

No "Secret" Auto Tax

There is no "secret plan" to tax motor vehicles driving into city centers, the Commission said April 5 in answer to a written question from the European Parliament. The German newspaper *Deutsche Presse-Agentur* had reported that the Commission planned to introduce a special motor vehicle tax for journeys into town centers whereby passengerless cars would pay twice the normal rate.

The Commission pointed out that the question of charging for use of urban infrastructures had been dealt with in an earlier memorandum and proposal to the Council of Ministers and that the Parliament had given it a favorable opinion November 1973. The Commission also said it would report the findings of recent member state surveys regarding a system of urban infrastructure charges in the near future.

Recycling Used Oil

The Council has under consideration a Commission proposal that would ban disposal of used oil in lakes, rivers, and canals throughout the Community.

Some member countries allow the unsupervised disposal of 20-60 per cent of all used oil. This ac-

counts for about 20 per cent of all industrial water pollution. The Commission suggests burning or purifying dirty oil.

The March 20 draft directive includes provisions for licensing companies to collect used oil and for inspection systems.

Top Three Polluters

Heat from nuclear reactors, sulphur dioxide, and nitrogen dioxide were designated the three main polluters in energy production in

a report produced by the EC Commission on April 3. The report is for use by the Council of Ministers and groups of national experts.

Pesticides

The EC Commission is drafting regulations to eliminate public health dangers from pesticides used on fruits and vegetables. The

news came in answer to a European Parliament question April 3. The drafts supplement proposal for common pesticide standards.

Social Policy

Hillery Reports

"The new Social Fund must not be just a sort of Red Cross in the field of employment," Commission Vice President Patrick John Hillery said April 25, calling on member states to be more selective in recommending projects for fund aid. Hillery, responsible for social affairs, addressed the European Parliament on the first annual report of the activities of the new European Social Fund.

Emphasizing the need for a rigorously selective policy to make

the best use of fund resources, Hillery said member states had not taken this into account in forwarding applications.

Projects worthy of fund support, he said, should have both promotional and catalytic effect and fit into a Community perspective. The fund's role, he continued, should be to establish durable solutions to structural employment problems and define where public responsibilities lie in a framework of a labor mobility policy.

Migrant Workers

A wide-ranging program for improving European Community migrant worker social conditions is being prepared by the Commission in consultation with the member states and both sides of industry. The Commission set up a special in-house task force to draw up the program which will be sent to the Council of Ministers by the end of this year.

The Commission recently issued

an interim report on measures it urged be carried out this year. They include: improving information on job availability, European Social Fund financing of integrated projects for migrant workers, improving social services, giving better social security coverage such as family benefits and maternity allowances, and coordinating migration policies vis-a-vis non-member countries.

Vocational Training

A blueprint is ready for a European Vocational Training Center to promote a "European dimension" in this area. Its tasks and organization are outlined in a draft regulation which the Commission sent to the Council of Ministers on March 22.

The Center would be a means of aligning vocational training standards. It would gather and disseminate information on new developments and help to coordinate research. The Center would be authorized to:

- organize courses, conferences, seminars, and pilot experiments
- conclude research contracts and grant financial aid to researchers or institutes for specific projects
- edit and distribute a Community bulletin on vocational training.

Creation of the Center was one of the priorities set by the Council of Ministers for the first stage of the Community's social action program.

Work Week

The European Parliament has given support to generalizing the 40-hour work week and a four-week paid vacation throughout the European Community.

The April 26 resolution supports the Commission's proposal that member states apply the 40-hour work week as of January 1, 1975, and the four-week paid vacation as of January 1, 1976.

The Parliament also approved

the Commission's proposed directive seeking effective application of the principle of equal pay for men and women performing the same work. This principle is embodied in Article 119 of the Common Market Treaty. The Parliament also called for an end to indirect discrimination against women by improving job access and classification, vocational training, social benefits, etc.

Aid Applications

The European Social Fund is reviewing applications for aid totaling 126 million units of account (UA). (One UA equals \$1.20635 at current rates.) Bids to redevelop

priority areas, to develop technology, and encourage company regrouping total UA 105 million. About UA 21 million was asked for social or industry related projects.

Harmonization

Movie Industry

The Commission is working to speed up integration in the movie-making industry, according to an April 5 answer to a written question from the European Parliament.

The European, especially the Italian, cinematography industry is undergoing a steady decline due to rising production costs and falling national revenues.

In effort to speed integration in this sector, the Commission said it is seeking to persuade member states to qualify more foreign films for subsidies under their national

aid arrangements. The Commission has been forwarding movie industry proposals to the Council of Ministers since 1968. More recently, it proposed the creation of a public firm register in all member states to give more freedom in providing film distribution services and eventually increase production financing capabilities.

A proposal on liberalizing the film industry, possibly with provisions for increasing the movement of cinema workers, will be forwarded to the Council.

Tobacco Excise Taxes

The EC Commission has sent proposals to harmonize excise taxes on tobacco to the Council of Ministers. One proposal would extend the application date of the Com-

munity's first tobacco tax harmonization directive to June 30, 1976. By the first directive, member states agreed to limit tobacco fiscal to turnover and excise taxes.

Competition

Hold on Take-Over

The EC Commission has taken action to maintain the status quo in a joint takeover by two French companies, Société Schneider, SA and Marine Firminy, SA.

In October 1970, the Commission authorized Schneider and Marine to establish joint equal control of the Société Creusot-Loire. Although both firms agreed to maintain the balance of their Creusot holdings by not purchas-

ing stock from each other, Schneider purchased 34 per cent of Marine stock in November 1973. Due to Marine opposition to the purchase, Schneider placed the shares in escrow until April 15.

The Commission is investigating the transaction and, at Marine's request, has ordered conservatory measures to preserve that company's independence until final evaluation.

Cases Against Music Groups

The Commission has withdrawn "abuse of a dominant position" charges against French and Belgian associations of authors, composers, and music publishers, after the two groups agreed to change their rules. The French and Belgian organizations are known as SACEM and SABAM, respectively. Earlier this year, action against a similar German association, the GEMA, was withdrawn after Commission pressure

had forced amendments in that group's rules.

The three groups were accused of: discriminating against members from other Community countries, monopolizing their members' world rights, imposing unreasonably long contracts (50 years in the case of the French association), and preventing the creation of a "common market" in music publishing. The groups dropped the restrictive clauses.

Agriculture

Fraud Investigation

The European Community is stepping up its fight against fraud practiced on the European Agricultural Guidance and Guarantee Fund (EAGGF). Special investigating teams of auditors, set up by the Commission last year, have been traveling throughout the Community to check EAGGF recipients' financial accounting.

Additionally, a meeting of national public authorities was organized by the Commission April 24

to examine fraudulent practices, and to investigate methods and ways to coordinate EC member state anti-fraud efforts. The Commission relies heavily on national services to discover and repress illegal activities as well as recover EAGGF funds unduly paid out.

A total of 2.1 million units of account (UA) was wrongly paid out by the fund in 1972, according to the EAGGF financial report.

Calendar

APRIL

1-2 Council meets in Luxembourg. British Secretary of State for Foreign and Commonwealth Affairs James Callaghan announces that his Government will present detailed proposals for renegotiating EC membership terms. The Presidents of the EC Council and Commission present a joint declaration calling for action "to overcome the stagnation which is threatening the Community." (See *European Community* No. 176, page 3.)
2-5 EC conference in Luxembourg on control and analysis measures in the iron industry.

3 Commission meets in Luxembourg. Commissioner Claude Cheysson, responsible for EC development policy, reports on his trip to Syria (see *European Community* No. 176, page 5). Commissioner Ralf Dahrendorf, responsible for science, education, and research, briefs the press on the development of a common research and technology policy (see page 17). Commission sends report to Council on problems in the paper industry (see page 5).

3-5 European Parliament holds plenary session in Luxembourg. Session opens with a solemn homage to the late French President Georges Pompidou. Commissioner Claude Cheysson answers oral questions about association agreement with Greece (see page 5). Tax harmonization on beverages is discussed.

5 EC Energy Committee meets in Brussels (see page 7).

9 Commission meets in Brussels. The Energy Committee's work (see page 7), the common research and technology policy (see page 17), and social laws harmonization are discussed.

15-18 European Parliament President Cornelis Berkhouwer visits United States (see page 4).

17 Commission sends Council proposals for agricultural modernization and aid for regional relocation subsidies.

23-25 Community participates in the sixth session of the Organization for Economic Cooperation and Development (OECD) special executive committee on cooperation in development aid.

23 Community and EC member states sign protocol extending the international agreement on corn for one year. Jens Otto Krag, Head of the EC Commission Delegation to the United States, signs for the Community.

23-26 European Parliament holds plenary session in Strasbourg, France. Commission President Francois-Xavier Ortoli addresses the Parliament on the Community's present and future (see page 6). Parliament debates include aids to fishing, sugar markets, and social policy.

24 Meeting in Brussels to investigate fraud on the European Agricultural Guidance and Guarantee Fund (see page 9).

24 Commission meets in Strasbourg, France. Council's extension of generalized preference products is approved. Agriculture, Palestinian refugees, energy, and multinational corporations are discussed.

25 Commission takes measures to protect livestock from the spread of aphtous fever.

29 Commission Vice President Christopher Soames, responsible for the Community's external relations, visits Yugoslavia (see page 6).

29 Council of Agricultural Ministers meets in Brussels. Tobacco and beef are discussed.

29 Italian Government informs the Commission of import curbs to help balance of payments (see page 3).

30 Council meets in Luxembourg to discuss development aid.

Prospects for Economic and Monetary Union

Is EMU a Dead Duck or a Phoenix?

JOHN PINDER, *director of Political and Economic Planning (PEP), a London-based research organization*

To most eyes, an emu is an ostrich-like bird, but, in capital letters, it stands for European economic and monetary union. These days, EMU looks a bedraggled bird.

Monetary union is the only part of EMU that ever attracted much admiration. A goal for this had been defined as the irrevocable locking of parities and convertibility of currencies, and a modest step toward it had been taken in the form of the "snake in the tunnel." The snake limited the fluctuations among EC member countries' currencies to narrower margins than those relating to the dollar. The snake was the only symbol of progress toward monetary union, so it was greatly cherished in Brussels—and in Paris, where monetary union was seen as the cornerstone of European construction and of Europe's contestation against the dollar.

Eyebrows were raised when Britain and Italy stepped out of the snake, but shoulders were also shrugged because not much is expected of these weak economies. But when, in January, the French, reacting hastily to the changed prospects for their balance of payments after oil prices quadrupled quickly, extricated themselves too, confidence that the snake would lead to monetary union was sharply deflated. It is small consolation that a truncated snake lives on, with Germany, Benelux, and some of the former European Free Trade Association (EFTA) countries—indeed a sort of monetary EFTA with Germany at the center of it instead of Britain. Many economists were always skeptical about this approach to monetary union. Without French support, it looks more than ever a by-way, or even a *cul-de-sac*.

REGIONAL FUND GRINDS TO HALT

Although the Germans had set less store by the snake itself, they were keen to develop the coordination of economic policies within the Community institutions. This form of economic union would serve, for them, a double purpose: to discipline the economies of their laxer partners into less inflationary ways and to strengthen the Community as a political instrument. So they insisted that steps toward policy coordination should be taken in parallel with any further steps toward monetary union.

But during the past year the French government stiffened its resistance to anything that could be seen as Community encroachment on the independence of France. The new French President may well modify this policy. But the British, who already seemed inclined to go along with the French line in national sovereignty, now have a government that threatens withdrawal from the Community. Little joy for the Germans, then, by way of progress toward their favorite brand of economic union.

The British never loved the snake, nor did they show enthusiasm for coordination of economic policies. They accepted economic union only as a means of reducing the bias against Britain in the Community budget. They plumped for the EC Regional Development Fund as the device by which to do it. The fund could, to be sure, be justified by the general principle that the Commu-

nity's weaker regions would be likely to suffer from closer integration in general, and from the locking of parities in particular, and should be compensated by budgetary transfers.

But the richer EC members were not very sympathetic toward this argument. The French in particular seemed reluctant to agree to the fund unless they were to get out of it more than they put in. Thus, the Commission's proposal provided for a net gain to France. But this proposal came just when the Germans had arrived at the end of the road on which they had paid a toll to France for every stage of integrative progress. The proposal for a regional fund came to a grinding halt.

Why, then, bother to write about EMU when there has been no mileage yet in either the French, or the German, or the British approach—or in that of the Commission, which has sought to hitch its wagon to each of the three? For me, there are two good reasons, one long-term and the other short-term.

GROWING INTERDEPENDENCE

The long-term reason is that the economies of the member countries, already markedly interdependent, become more so every year. Member countries tend to send about half their total exports to other member countries, which for a country such as Germany means not much less than one-tenth of its gross national product (GNP). For Britain, the share of exports going to the Community is still between a quarter and a third; but so it was for France in the Fifties, and Britain's trade with Community countries may be expected to grow as the French trade has grown. In the Eighties, then, one-tenth of Britain's GNP is likely to consist of goods made for export to the Community, and the other Community countries will be buying about a third of British manufacturing industries' output.

Together with the transnational intermeshing of firms and probably also labor unions, trade links on this scale will ensure the rapid transmission of economic trends from one member

Calling In Outside Help

To help ensure that Economic and Monetary Union (EMU) does not become a dead duck, the EC Commission has organized a group of 15 independent experts to analyze the institutional and structural differences among member states impeding progress toward EMU.

The group is headed by Paris University Professor Robert Marjolin, a former Commission Vice President and architect of EMU.

At the group's second meeting, March 29-30, it was decided that efforts would first be made toward a critical understanding of what's gone wrong in the past. From there, the group hopes to point out and define the necessary adaptation of national policy

country to another. Each country's economy will be so open to economic forces in the others that the only feasible form of economic management will be management in common.

The transition to common economic management requires an act of political will, however, which governments are reluctant to exercise unless crises force them. Without common management, the crises will surely come, as the member governments find themselves unable to grapple with economic forces that are beyond each one's individual power to control. But the learning process will probably be long and painful. Are there not more immediate needs that call for measures which would bring progress toward common economic management?

EUROPEAN BOND FOR OIL MONEY

One acutely urgent need is for enough European reserves to pay the vast sums needed for oil imports. Italy and Britain are the most pressing cases, but France sees a formidable gap yawning ahead, and even Germany is not immune. There are proposals for increasing the amount available for advancing credit, through the Community, to member countries. The proposed use of gold at a higher price for settlements among the members would also beef up their reserves a bit. But the reserves will still need to be strengthened.

The obverse of the European deficits—and of the Japanese and American ones—is the surplus of the oil exporting countries, expected to reach \$50-60 billion this year. They will wish to place this money in the world's capital markets, and it is feared that the world's monetary system could be ruined if the money is not invested in a sufficiently stable form. Attempts will certainly be made in the International Monetary Fund (IMF) to offer an asset that would attract at least some of this oil money.

But there are three reasons why the Europeans should make their own effort as well. First, the IMF, with its big membership, is likely to be slow, cumbersome, and inflexible, whereas a number of European countries will quite soon need some of the reserves that would come through such an asset. Secondly, the oil exporters will probably want a variety of assets in which to put their money, and a European one would offer a good alternative. Thirdly, unless Europeans can strengthen their monetary position, they will be at a severe disadvantage in negotiating international monetary issues with the Americans, who have less need for oil imports and stronger balance of payments.

Sharing a need to attract a substantial part of the oil money, the EC member countries could create a means of doing so in the form of a European bond. This has already been proposed by some leading monetary experts such as Robert Triffin and Giovanni Magnifico.

The oil countries are shrewdly concerned about the risks of devaluation and inflation in the currencies in which their money is invested. A European unit, compounding the exchange rates of the member currencies, would be a fine hedge against deval-



"Balance of payments." Padry, Le Herisson, Paris.

THE THREE MUSKETEERS

...One for All and All for Fun!



Garland, The Daily Telegraph, London.

uation, and the idea of linking securities to indices that reflect inflation has by now attained a certain respectability. An asset of this sort, jointly and severally guaranteed by the EC member governments, not only would be attractive to the oil producers' surplus money, but would also help the Community members to cover their deficits.

Last, but not least, such a massive pool of reserves for the Community would give a reality to the idea of monetary union, far beyond what the fragile snake in the tunnel had any chance of achieving. It could, by the end of this year, make EMU a phoenix, instead of the dead duck it has come to resemble.

Economic Woes

EC Commission Calls for Austerity

Ferdinando Riccardi, staff correspondent for the Brussels newsletter Agence Europe

The EC Commission's latest short-term analysis of "the economic situation in the Community" spared any kindness. Simply reading the March 27 document's headlines is instructive: "disappointing results of economic policy," "the acceleration of inflation," "worsening of the balance of payments," "disturbances in world trade," "moderate rate of growth," "the weakening of solidarity in the Community," and "risks of return to national perspectives."

New developments—possible British renegotiation of EC membership terms, a new French President, and Italy's import curb—have little mitigated the Commission's communication to the Council. The Commission's advice is not out of date because the economic problems detailed by the Commission remain.

The point of departure remains the same: the oil crisis and the resultant deterioration of balance of payments added to pre-existing inflationary tensions confront the European Community with the worst combination of negative economic factors in the Community's history.

In 1973, the Community was unable to control inflation. To maintain economic activity and to meet social requirements, 1973 public expenses increased more than had been advised by the Commission, and the money supply increased everywhere. This year the Commission expects a price increase between 9 per cent and 15 per cent depending on the member country.

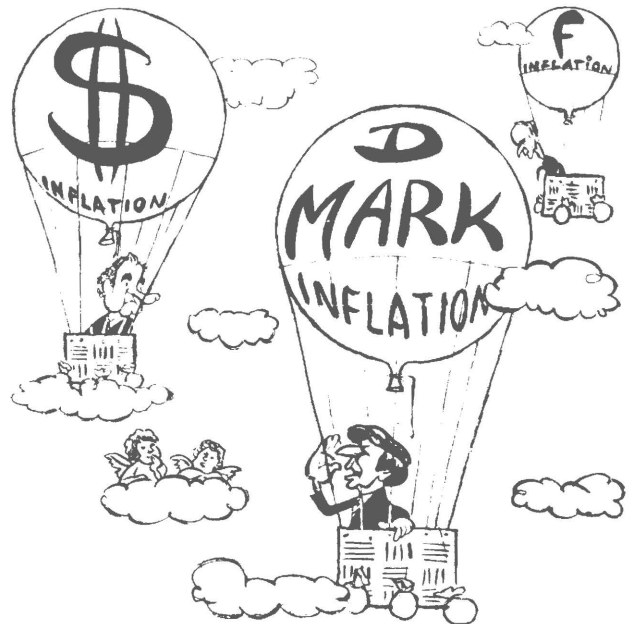
TERMS OF TRADE DETERIORATE

The cost increase of imported oil unavoidably involves what is called a "deterioration of terms of trade": the volume of imports and exports being equal, import costs increase faster than export receipts. The resulting balance of payments deterioration can only partly be compensated for by export increases, for the latter has precise limits.

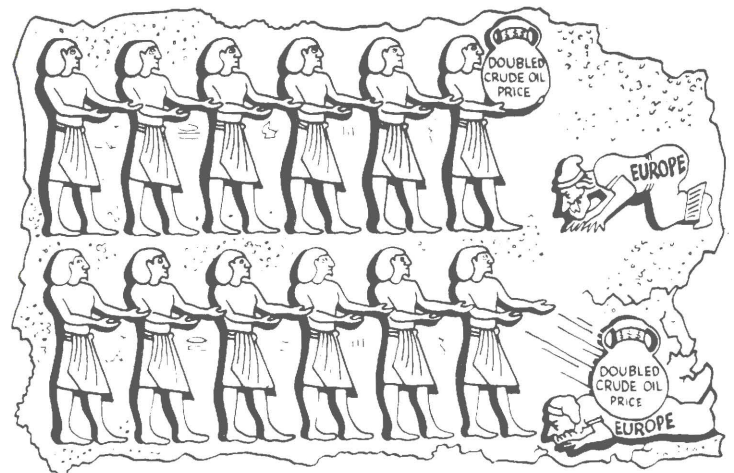
The Commission estimates a Community trade deficit in 1974 of \$22 billion. This estimate does not pretend to be definitive or scientifically exact, because nobody can forecast the price evolution of raw materials, real export growth, or next harvests. But this estimated amount is by itself eloquent.

Contrary to what certain observers had feared during the worst of the oil crisis, economic growth in Europe will not stop. According to the Commission, however, growth will not go above an average of 2.5 per cent for the Community as a whole. The present employment level, the Commission predicts, may be maintained, but new labor forces will appear on the market, such as young people looking for first jobs, and more and more women.

To make matters worse, an overall evaluation is made complex, if not impossible, by the differences between member states. The dangers may be common, but inflation rates, balance of payments deficits, and unemployment levels are certainly not uniform. So, what to do?



"Can anyone tell me where the break is?" Bac, Nordwest Zeitung, Oldenburg, Germany.



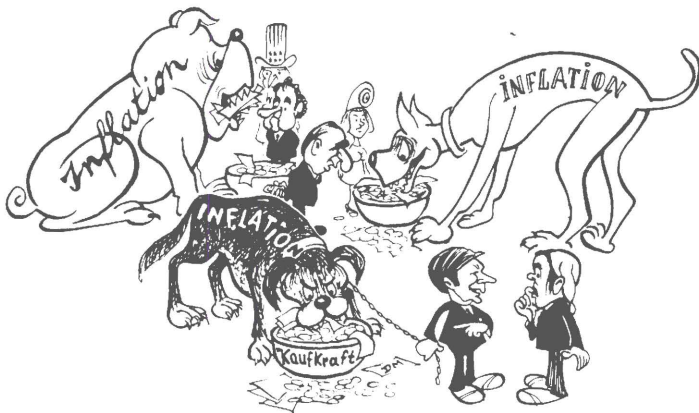
Margulies, Rothco Original, Yonkers, New York.

What the EC Commission recommends looks very much like a policy of austerity, but the Commission's words should not frighten Europe. The facts must be faced. A greater quantity of goods is necessary to pay for the more expensive oil and other raw material imports; but, since domestic output is of course limited (partly because of the oil shortage itself), consumption must be cut down to underwrite a higher percentage of domestic output for import payments.

If the Community could increase its exports limitlessly, everything would be relatively simple; but such is not the case. Rather, the other large industrialized areas (the United



Backes, Nordwest Zeitung, Oldenburg, Germany.



"Why should we get rid of ours? He's much smaller and eats less than the others."
Backes, Nordwest Zeitung, Oldenburg, Germany.

States, Japan, and the European Free Trade Association countries) face the same problems the Community does and thus cannot increase industrial purchases from the Community. Certainly both developing countries and the East can absorb additional amounts of industrial and agricultural goods, but their potential is limited.

HEAD OFF DISASTER

If the EC countries, aiming to increase their exports at all cost, start outbidding one another on their common market, it would be a disaster. Competition would take the shape either

of export subsidies or competitive currency devaluations. A vicious and ruinous circle would result. No EC country can hope to solve its difficulties by transferring them beyond its borders.

To head off such a disaster, the Commission recommends: reducing domestic demand, foregoing any "export war," tight coordination of monetary policies, and an inclusive intermediate strategy, since immediate, spectacular results are impossible.

"The essential problem posed for the coming year," the Commission says, "is the maintenance of a substantially lower rhythm of growth of private expenditure than that of gross national product. Only in this way will it be possible to free the necessary resources to enable the additional investment and export effort to be made. To this end the expansion of all money incomes must be slowed down, in order to avoid adding to inflation and the disequilibrium of the balance of payments. This objective will not be easy to attain, particularly where the social partners do not indulge in a constructive dialogue."

How, then, to obtain cooperation and support from the social partners, in particular the labor unions? By developing in parallel with economic policy, large scale social action for security, employment, worker ownership, growth of capital goods, and professional readaptation.

There must be special solidarity among the member states in order to head off pressures for raising exports in order to reduce balance of payments deficits. A commercial war must be avoided at all costs, although some member states must necessarily find the additional resources through exports (Italy, Britain, Denmark, Ireland, and France). Thus, in the Commission's view, the other member states (Germany and the Benelux) must develop their imports and increase their GNP by 3-4 per cent. Such action has a double aim: to counteract, through expanded competition and supply increase, inflationary tendencies and, of course, to help the other, less fortunate member states to develop their exports.

If necessary, Germany and the Benelux could maintain their growth with budgetary stimuli and lower taxes. The other member states must, on the other hand, give priority to improving their external balances: keeping domestic demand below production capacity; restrictive monetary policies and high interest rates to prevent capital flight and to attract foreign capital; restrained public spending, and increased investments at the expense of consumption.

It is not an easy program because it asks for both a high degree of solidarity and courageous measures of austerity. But it is a necessary program. Otherwise, some member states may face a real recession. Moreover, the EC achievements, such as the free circulation of goods within the common market, would be called into question.

If lucidity is the first step towards wisdom, the Commission has taken that step, but the most difficult step remains—action.

A Short View of a Long Question

H. PETER DREYER, *European news editor for The Journal of Commerce*

European Community regularly presents opinions on US-European relations. The opinions do not necessarily reflect the policies or views of the Commission of the European Communities. Persons interested in contributing to **Atlantic Forum** may submit manuscript proposals to The Editor, European Community, Suite 707, 2100 M Street, NW, Washington, DC 20037.

At first blush, the current news value of US-European relations is very much in the category of a tabloid scandal sheet. Even if the tempo of the current, angry transatlantic dialogue has been exaggerated in the press, as it probably has, it is clear that the Euro-American relationship is entering a different phase, replete with new dangers on a broadening scale.

All the talk about the "Year of Europe," joint declarations, and the need for consultations surely has not been for nothing. Even the esoteric jargon of diplomats leaves ordinary citizens aware that something, somewhere, is seriously wrong.

Why should this be so and why should it be now? Historians and political scientists, used to thinking in decades, point to the fundamental transformation which the world's power structure, and the policies it engenders, have undergone in the past 20 years.

Without disagreeing, a journalist concerned with the here and now tends toward another tack. Less ambitiously perhaps, he is concerned with the shorter term. It provides a chronicle at least.

BEYOND UNAVOIDABLE IRRITATION

Many people now look back nostalgically to the "healthy" world of the Sixties. But strains and stresses galore existed in US-European relationships even then. Like the 1962-63 "chicken war," the various conflicts arising in the Kennedy Round, and a host of minor matters unknown to the public, such frictions were probably no worse than must be expected at all times when two large units are engaged in active trade and other business relations.

Although still mainly economic, the controversies have now acquired political overtones that are aired increasingly in public. They have not been limited to one side or the other. If the Americans were displeased with EC preferences to Mediterranean countries, the "reverse" preferences for the African associates, or the alleged iniquities of the common agricultural policy, Europeans were no less nervous about American investments in Europe, the brain drain, the technological and managerial gap, and the super-protection afforded US chemical manufacturers the "American selling price" system.

Some of these issues have receded or disappeared; some remain, in one form or another. From yesterday's charge that, through misuse of the overvalued dollar's function as a reserve currency, American firms bought up European enterprises at

bargain rates, springs today's lively concern with the nefarious multinationals. This link appears all the stronger in the naive assumption, frequently found in Europe, that there is a clear distinction between the "good" European multinationals and the "wicked" American ones.

POLITICAL REACTIONS

If disagreements with a strong economic content—fairly evenly divided between fault and counterfault—have of late begun to play second fiddle to primarily political ones, the Vietnam war more than any other single factor undoubtedly produced the change. The Europeans' unhappiness over this tragic development stemmed from many grounds, including the fear that the United States, drawn into this Far Eastern nightmare, would be forced to neglect its traditional European connection.

Just so did American reaction turn political. US annoyance was no longer confined to what were judged to be Europe's inward-looking economic policies. The European allies were becoming steadily more critical and aloof just when the United States would have liked their moral, if not necessarily material, support. The United States was also disappointed in Europe's failure to make headway with its own political integration. After

"The world's power structure, and the policies it engenders, have undergone a fundamental transformation" since the special, postwar US-European relationship was forged at the August 1941, Newfoundland, meeting of US President Franklin D. Roosevelt and British Prime Minister Winston Churchill.





"The hope for European unity had inspired the emphatic and massive backing from Washington as well as from American public opinion." That hope found reality in the 1958 signing of the Rome Treaties, establishing the European Economic Community and the European Atomic Energy Community.

all, the hope for European unity had inspired emphatic and massive backing from Washington as well as from American public opinion in the European Community's early years.

Officially, the United States remains fully behind European integration, but declarations to that effect have come to ring hollow. For in the past two or three years, the process of mutual alienation has quickened.

Points of difference are well known: the seemingly unending controversy over whether the Community owes compensation to the United States under Article XXIV-6 of the General Agreement on Tariffs and Trade (GATT), as a result of EC enlargement in 1973; European disquiet over the slowness of the US Trade Bill progress, and American annoyance at the Community's dilatory tactics in Geneva shortly after the opening of the GATT Tokyo Round. In fact, it can be argued that the shift to a new transatlantic relationship was essentially an economic development—the "restructuring" of the dollar's role, and the turnaround in US monetary and trade policies on August 15, 1971.

NOVEL AND TOUGH TURN

All the same, these developments were and are secondary to the more politically oriented ones, whether concurrent, connected, or altogether independent. For it is all too obvious that American attitudes vis-à-vis Europe have taken a novel and tough turn.

The new self-assertion of US policy—whether confronting Europe in the shape of the flamboyant Texan or of the erudite, European-born Harvard professor (who may have little else in common but the manner in which they got and are getting under the Europeans' skin)—represents, of course, an adjustment, possibly even a belated one, to developments in other parts of the globe. But it is surely also a reaction to Europe's patent inability to arrive at the political cohesion it is forever talking about. The US government may well find it more rewarding to deal with fellow superpowers—the Soviet Union and China.

Conversely, in this process, where cause and effect are not always distinguishable, the European "negativism" (as represented often and visibly by the outspoken French attitude) may have pushed Washington to those seemingly greener pastures. In turn, European fears of becoming a mere pawn in the dealings of the "Very Big" have been strengthened.

The Mideast is often cited as an example of a basic clash of interests between the United States and the European Community. The October War and the energy crisis revealed a conflict, which only a few years ago looked like simply a question of oranges versus the Sixth Fleet. The bitterness aroused by allegedly inadequate consultations, the angry charges and countercharges, are indicative of very real difficulties. Some dispassionate Europeans will admit that genuine consultations between the United States and a group of small European coun-

tries unable ever to arrive rapidly at a joint decision simply were not feasible at a moment when quick military action was or appeared imperative. Is the problem not the enormous difference in size and power among the NATO allies? Did not the sudden flaring up of bad feeling in Washington in March, after the EC overture to the Arabs, result largely from the impression that the same Europeans whose political ambitions are now in turmoil still behave as if they were a consolidated major power?

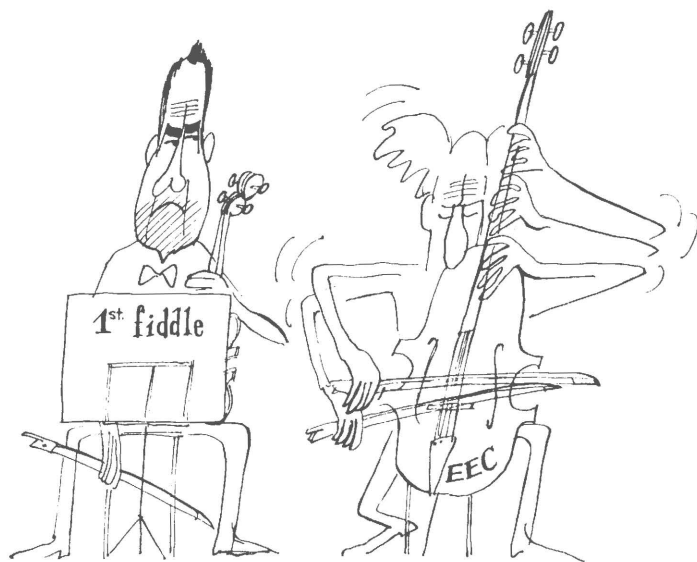
PENDULUM SWINGS

A disparity exists, and it is becoming bigger. A year ago, the dollar was weak, the American payments balance position looked nearly hopeless (not least owing to the existence of tens of billions of inconvertible dollars in Europe and elsewhere). The Community's economic stature appeared unassailable.

Now the pendulum may have swung back. The dollar's position has improved, the American economy seems strong, and the energy crisis together with severe inflation rates have caused serious doubts about Europe's outlook (see page 12). Is it surprising if Americans react as Europeans did to their eco-

US-European relations have formed a main topic of discussion at recent EC Council of Ministers meetings. Pictured are French Foreign Minister Michel Jobert (left) and German Foreign Minister Walter Scheel.





Joke, De Nieuwe Gazet, Antwerp, Belgium.

conomic bonanza of the Fifties and Sixties?—"You can't treat us this way any longer."

The pace of economic developments has quickened. No one can tell whether the change from the 1972-73 to the 1974 pattern might not soon be reversed once more. But in the present atmosphere, European weakness will not arouse in Washington the benevolent and avuncular emotions of a generation ago. Washington's disappointments have been too strong.

It is better to be respected than liked, and gratitude has little place in international relations. True, the Marshall Plan, whether an unselfish act or one of enlightened self-interest, provoked for years eternal and fulsome praise at all manner of public gatherings in Europe, becoming as inevitable as the "Amen" in church. But if Americans (especially some members of the Congress) really thought that this would obligate the recipients for all time to come, the expectation was naive. Neither could it seriously have been expected that the European invalid, once he had shaken off the afflictions of the Thirties and Forties and attained an unprecedented new strength, would forever faithfully listen to, and abide by, the word from Washington. It was similarly naive to assume—a mistake American leaders shared with some of their European colleagues in the early days of integration—that with the mere creation of the outer framework of a European Community, the national and nationalist attitudes, customs, dogmas, and objectives of centuries would melt away.

Then also, by what right should the United States have thought that, simply because it had extended much aid to post-war Europe, the United States could afterwards pursue its own trade, monetary, and other policies without worrying about the impact on—and reactions of—other countries? By paying the military piper in Europe, the United States may have been entitled to call the tune. But this leverage diminished as the threat from the East became, or seemed to become, gradually less frightening to Europeans.

PSYCHOANALYST REQUIRED

The American scene has not been without its repugnant themes: McCarthyism, racial strife, political assassinations, and more recently the Watergate quagmire have upset and dismayed even the most pro-American Europeans, who often fail to give credit to tens of millions of Americans for the same reactions.

Europe's past, distant and recent, has hardly been pristine either, and Europe's self-righteousness goes hand in hand with hypocrisy. As an American of European origin, this writer often finds it both unpalatable and infuriating.

A psychoanalyst might better understand European reactions. Was it dependence on American help after World War II which turned to resentment? Or yearnings to see Europe return to centerstage as in centuries past? Or a backlash against the Americanization of world culture, after centuries of imposing European culture across the globe? Or just Europe's continued dependence on the American defense umbrella? American public opinion could hardly be unaware of the thinly veiled anti-Americanism of their fractious European allies, reminiscent in many ways of "polite" antisemitism.

Some criticism is deserved. The narrowmindedness of American monetary policy—the "benevolent neglect" approach—was a case in point. But the gloating of so many Europeans at the dollar's misfortunes in 1971-73, the barely disguised joy at the "fall of the mighty," aside from being asinine, was also reprehensible. Along similar lines, US-EC relations in recent years have suffered from a "damned if you do and damned if you don't" approach toward the United States.

ACTION FROM THE TOP

What can be done? Platitudinous calls for more consultations and for the "institutionalization of the transatlantic dialogue" are no substitute for decisive measures. The same applies to the frequent plea for a stepped-up flow of information—a rather superficial nostrum when so much information already passes back and forth that few responsible people can seriously keep up with it, and top leaders, after having discussed in person this or that question for hours on end, still have been unable to communicate properly with one another.

There is already far too much of a tendency to regard mere procedures, the creation of committees, and the setting of deadlines as more than they are. Stateways cannot change the folkways of emotion and prejudice except over the very long hand. If there is to be any action, it must come from the top.

Effective action needs to be based on two fundamentals. One is the clear realization that a deteriorated relationship can deteriorate further. The other is an awareness that a fresh effort is urgent, not for old times' sake but for new times' imperatives.

A close transatlantic relationship remains essential, not for the reasons that existed in the postwar era, but for different and equally urgent ones.

Science and Technology

The "Nine" Move Toward a Common Research Policy

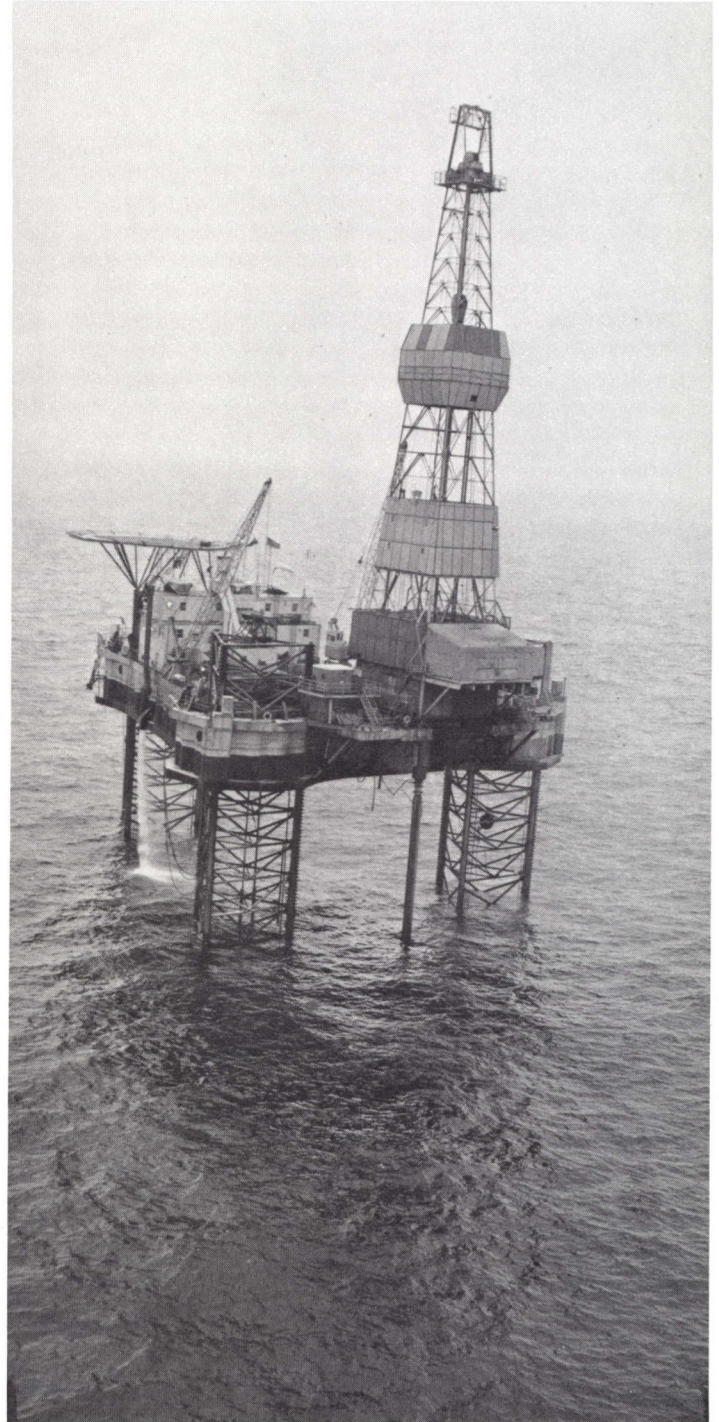
DAVID FOUQUET and JOHN NIELSEN, *American freelance journalists based in Brussels*

After years of frustration and false starts, the European Community finally appears ready to launch a common technology and science research policy worthy of the name. On January 14, the Council of Ministers accepted the Commission's proposed guidelines for such a policy. Although still only a verbal commitment that must be translated into concrete actions, the Council's decision was a quiet and undramatic fulfillment of an important plank in the Paris "Summit" communiqué of October 1972. The decision's principal points involve

- *coordination of national research and development (R & D) policies* through the establishment of a "Scientific and Technical Research Committee," known under its French acronym of CREST. It is composed of Member State R & D officials and presided over by Commission Director General for Research Günter Schuster. CREST is to coordinate national R & D efforts in areas not subject to controls of military or industrial secrecy. CREST will analyze Member States' national R & D programs to pinpoint gaps and establish common objectives. Conceivably, this process could include reviews of individual R & D budgets and the elimination of unnecessary duplication before final decisions in national parliaments. CREST will be the central Community authority for EC participation in international organizations. CREST will also ensure that the Community's research programs are synchronized with the other common sectorial policies—above all, energy. Although the committee's exact institutional status has not yet been decided, it will probably give opinions to both the Commission and the Council.

- *promotion of basic research* mainly through Community participation in the proposed European Science Foundation. A Community instrument for coordinating and supporting Member States' national science foundations' work, the Foundation has been expanded to include non-member countries. So far, Sweden, Switzerland, Austria, and Israel have expressed interest. An international meeting was scheduled to take place in May, probably in Stockholm, to lay the initial groundwork. The Community will give financial support to Foundation expenditures and/or participate directly in Foundation projects.

- *joint research activities within the Community.* Originally concerned solely with atomic energy projects, the Community's Joint Research Center (JRC) has moved from narrow, "vertical," research-to-development-to-production, nuclear research to a "horizontal" concentration on basic research across a broad front. Under the new policy, the JRC will be one of the main instruments of basic research in support of common sectorial policies within the Community. Principal priority at the moment is finding alternative sources of energy. The Commission also envisages using JRC for research into topics such as development aid and the social, industrial, and environmental policies.



A common science and technology policy will complement the Community's common energy policy in developing new energy sources, such as oil in the North Sea.

• “Europe Plus 30,” a working group for continuing study of Europe’s future research needs. Composed of seven or eight distinguished scientists, the group will spend one year examining ways in which scientific forecasting can be used in the policy-making process. Depending upon the group’s findings, the Community could launch a permanent effort in “applied futurology,” assessing current research policy in terms of anticipated requirements at a constantly receding time 30 years hence.

HISTORY SADLY LACKING

The Council’s action offers cause for hope in a science and research history lacking in firm accomplishments. For despite—or perhaps because of—the magnitude of the postwar technology boom and despite the obvious need for some form of joint European effort, European scientific cooperation has been limited to a few successes and much duplication of national programs.

The first big attempts at scientific cooperation took place within the framework of the European Coal and Steel Community (ECSC), founded in 1951. Designed as a common market in coal and steel, the ECSC also conducted research into means of improving production and job safety within these industries. Working through national research institutions, the ECSC has granted more than \$120 million for this research.

With the founding of the European Atomic Energy Community (Euratom) in 1958, the Community expanded into nuclear research. Launched with great hope and fanfare at the same time as the European Economic Community (EEC), Euratom began

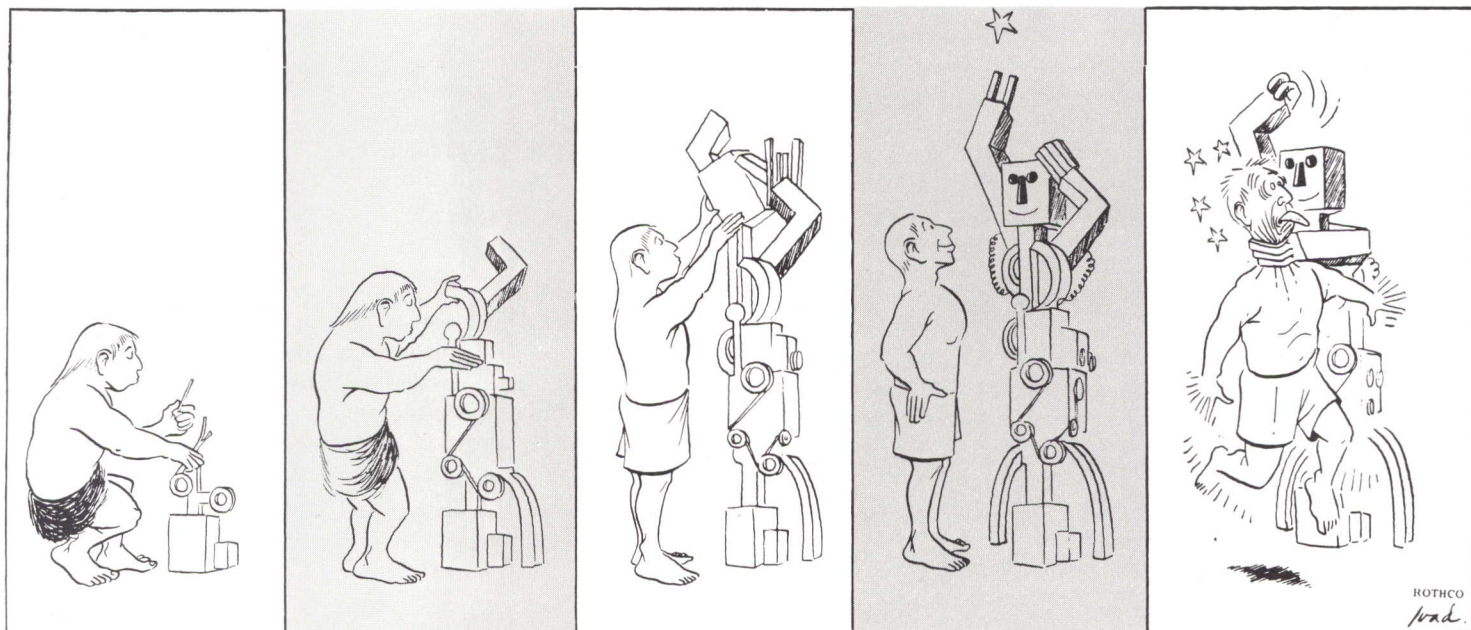
life with an impressive birthright. Many people at the time thought it the more important community of the two. Nuclear energy was the wave of the future, and the original “Six” were pooling their resources and talents to be among the first to take advantage of it. Euratom’s mission was to aid in the development

Science Journalists Meet....

On April 24-25 in Salzburg, Austria, journalists from nine European countries met to discuss “the significance of science journalism for today’s society.” The meeting was sponsored by the 900-member, Brussels-based European Union of Associations of Science Journalists. “Aware of the importance of disseminating scientific and technical information and its consequences in the modern world,” the journalists adopted a resolution which they called the “Salzburg Declaration.” The declaration, noting that “the gap between science and the public is widening,” called for better access to scientific information, educational opportunities for science journalists, and increased science coverage in the media.

of a European nuclear industry through original research projects, the dissemination of technical knowledge, the establishment of uniform safety standards, and the guaranteed supply of fissile materials.

Euratom was given a Joint Research Center (the JRC, mentioned above) with facilities in Ispra, Italy; Karlsruhe, Germany;



“Science.” Vadillo, Siempre, Mexico City.

Geel, Belgium; and Petten, Holland. More importantly, it was given an extensive five-year research program and 2,700 officials, scientists, and technicians. By 1967 and the end of the second five-year program, Euratom had concluded international agreements with the United States, Britain, Canada, the Organization for Economic Cooperation and Development (OECD), the International Labor Organization (ILO), and the Food and Agriculture Organization (FAO). Euratom had spent approximately \$650 million in carrying out its mission. Its research programs had resulted in 1,150 original patents and the publication of 8,000 scientific articles.

At this point, however, Euratom's forward momentum began to slow. When it came time for approval of the third five-year research program, the Member States could not agree. They fell back on an expedient that became ritual in the next four years—the simple extension of the existing program, together with its budget. Atomic energy had become a sensitive national priority in the Member Governments. Community efforts to extend Euratom's influence in the nuclear industry beyond basic research were thwarted. Euratom stagnated and the Member States' national science programs duplicated work.

Research and Technology Update

British politician-businessman Lord Kennet has been appointed to head preliminary work on the Community's "Europe Plus 30" project, it was announced April 3. The project is meant to enable the Community's decision-making organs to have the "facts, figures, assumptions, projections, and evaluations which will enable them to adopt the best and most farsighted policies possible," says a Community press release.

Lord Kennet's group will look into the feasibility of long-range social, economic, and technological forecasting and advise on whether there should be a "European Office of Technology Assessment." "Europe Plus 30" data will be made available to national governments, corporations, unions, and other institutions as well as to the Community. The "Europe Plus 30" proposal is the brainchild of Commissioner Ralf Dahrendorf.

A plan for setting up a European network of scientific, technological, and social information and documentation was approved by the Commission April 9. The three-year plan calls for accelerating the development of sectoral information systems concerning nuclear energy, agriculture, education, etc., developing modern information dissemination techniques, and finding solutions to European problems. The plan has already been received favorably by national experts on the Council of Ministers committee for information and scientific and technical documentation.

This latter failing has been symptomatic of the entire range of technological and scientific research in the Community. Pierre Drouin of the Parisian newspaper *Le Monde* neatly put his finger on the absurdity of the problem when, in his book *l'Europe du Marché Commun*, he pointed out that a healthy policy involves not reinventing something already invented by a neighbor. He noted that the German electronics firm Siemens had prospered by working first under American licenses and later perfecting production to gain a competitive advantage. However, he observed that in France "to avoid buying American products . . . we reinvented color television."

BRAIN DRAIN

As a result, Europe, despite its wealth of scientific and engineering talent, during the Sixties experienced a "brain drain" of native experts to the United States—a large enough exodus to prompt the French to propose a Community policy for science and technology.

The Commission in 1963 had already proposed closer cooperation among the Member States in science and technology, within the context of the medium-term economic policy. In 1965, the Council created the Committee on Scientific and Technological Research Policy (PREST, in its French acronym) as part of the Medium-Term Economic Policy Committee. Manned by experts from the Member States, PREST was charged with studying the problems "that would be posed by the formulation of a coordinated or common policy for scientific and technological research, and to propose measures to enable such a policy to be put in hand, bearing in mind such possibilities as may exist for cooperation with other countries. . . ."

In 1967 the Council further charged PREST with investigating the possibilities of joint action in seven priority sectors: data processing, telecommunications, transportation, oceanography, metallurgy, meteorology, and environmental protection. PREST in turn recommended some 70 projects as both feasible and desirable.

PREST also recommended formal cooperation with non-member countries. Thus, in 1971, COST (*Coopération scientifique et technologique européenne*, grouping the "Nine" plus 10 other European states) was set up. Among the COST projects currently underway are: a European data processing network, a European center for medium-term weather forecasting, and various telecommunications projects.

Over the next two years, the Council held several meetings during which the Member States reiterated their interest in a Community science policy. But little substantive progress was made toward establishing such a policy.

This policy-making-by-rhetoric extended even to the Community's "Summit" at The Hague in December 1969. The Six, in the final communiqué, reaffirmed their readiness to "coordinate



A common policy for scientific and technological research will have a positive effect on Community industry. This Imperial Chemical Industries Ltd. plant in north-east England produces ethylene, used in the manufacture of polythene, detergents, and anti-freeze.



The "Europe Plus 30" proposal is the brainchild of Ralf Dahrendorf, EC Commissioner responsible for the Community's science, education, and research activities.

and promote industrial research and development in the principal pacemaking sectors, in particular by means of common programs, and to supply the financial means for the purpose." Neither the policy nor the money was immediately forthcoming, however. Little happened within Community institutions until June 1972, when the Commission sent to the Council a sweeping set of proposals entitled "Objectives and Instruments of a Common Policy for Scientific Research and Technological Development."

The document called for the gradual establishment of a common science policy with all its implications. Among the Commission's more important specific proposals were

- the establishment of a European Science Foundation (within the Community itself). Its principal functions would be the coordination of national science foundation programs, the promotion of research workers' mobility in the Community, and the organization of international seminars, schools, and symposia
- the inclusion of non-nuclear research in the multi-annual projects for Euratom's Joint Research Center
- the establishment of a European Committee for Research and Development (CERD) as an advisory body in the Commission
- the gradual coordination of national research and development programs and the expansion of exchanges of information among the Member States.

A "REAL" BEGINNING

The significance of the "Objectives and Instruments" was twofold. First, it represented the first complete, comprehensive examination at Community level of the need for a common science policy and of the changing world environment in which that policy would have to function. The Commission's action was especially important because, aside from the limited mandates in the ECSC and Euratom Treaties, no specific provision for a common science policy is given in the Community's founding documents. As is the case with, for instance, EC regional policy, the need for common action has been imposed not by the letter of the law but by the force of economic circumstances. (In the

case of science and research, the economic circumstances are that the European nations must combine to compete technologically on a world scale.)

Secondly, the "Objectives and Instruments" came at a time when the Community was preparing for enlargement. In the proposal's introduction, in fact, the Commission said that the moment is right for a reexamination of Community objectives in scientific research and technological development. Further, at the Paris "Summit" four months after the submission of "Objectives and Instruments" to the Council, the Nine pledged themselves—for the first time in Community history—to the achievement of a common science policy by a specific date—December 31, 1973.

When the Council of Ministers finally agreed on the Commission's science policy guidelines on January 14, it had missed the deadline by only two weeks. If it was acting on an officially different set of proposals, the measures it passed were neverthe-

less strongly influenced by the "Objectives and Instruments" document.

Given the scope of the Council of Ministers' January 14 resolution—and the ample potential for stagnation it allows—it will be a big job fleshing out the broad outlines into a complete and effective overall policy. Many questions of administration, procedures, and priorities must be answered, and there is considerable danger that the new policy fall victim to the kind of administrative stagnation that plagued Euratom for so long. Progress will be measured less in dramatic breakthroughs and technological giant steps than in small moves toward consolidation, undramatic definitions of priorities, and a generally gradual evolution.

Ralf Dahrendorf, Commissioner responsible for research, science, and education, in assessing the Council decision, said it was "just a beginning." In the same breath, however, he also stressed that it was a *real* beginning.

Scientific Cooperation Takes Other Forms . . .

The idea of European cooperation in scientific and technological research is neither new nor confined to the European Community. International programs of various kinds—from basic science to applied technology—have been instituted through the years, with varying success.

- The European Center for Nuclear Research (CERN) was founded in 1954 to fill a need for major experimental equipment, the cost of which would be beyond the resources of any single European country. An example of this type of installation is the giant, seven-kilometer, particle accelerator (technically known as a subterranean proton synchrotron) currently under construction beneath 1,186 acres of Swiss and French soil near Geneva. Due to be completed in 1979 at an estimated cost of \$400 million, the device will be among the most powerful in the world. CERN's facilities are available for common use by many of Europe's national institutions and universities. This simple availability, coupled with the quality of work being done under CERN auspices, has enabled European scientists to cooperate on equal terms with their counterparts from the United States and the Soviet Union in the field of advanced high-energy physics.

- Less spectacular but no less successful is the European Molecular Biology Organization (EMBO), a grouping of 13 countries financed through private funds. EMBO concentrates on facilitating the movement of research workers be-

tween European laboratories as well as on the improvement of advanced experimentation techniques.

- Europe's much heralded joint space effort, personified in the now abandoned European Launcher Development Organization (ELDO) and the European Space Research Organization (ESRO) died a-borning because of national differences and one glaring internal contradiction—the satellites being developed by ESRO were too heavy for the launcher on ELDO drawing boards. After discussions of national differences of opinion—mainly revolving around the question of whether to use American launchers—the two groups were merged last August into the new European Space Agency (see *European Community* No. 169, page 5).

- Joint multilateral programs in the advanced technology industries have been almost non-existent in Europe, but there has been no lack of bilateral programs. The most famous of these has also been the most conspicuous failure—the *Concorde*. Enormous cost overruns, costly duplication of production lines in Britain and France, and a signal lack of international interest in the plane have virtually assured its financial failure. Nevertheless, production lines on both sides of the English Channel continue to turn the planes out.

JOHN NIELSEN AND DAVID FOUQUET

Letters to the Editor

Correspondence from readers of *European Community* is invited. The "Letters to the Editor" column not only allows readers to state their opinions on articles published in *European Community* but also, more broadly, serves as a forum for dialogue on the Community and on US-EC relations. Reader correspondence should be addressed to: The Editor, *European Community*, Suite 707, 2100 M Street, NW, Washington, DC, 20037. *European Community* reserves the right to edit the letters.

MOLE HILL CRISIS

In reference to European Community No. 176, I was surprised to read about the US-EC differences and to find the term "crisis" being used.

I don't agree. If the existing conditions are considered to be a crisis, my next question is "by whom"!

My work brings me in contact with Europeans from time to time, and recent contacts have reflected little concern as your articles indicate. Maybe some of the government people view the situation more seriously than I, but how one can deem the present relationship to be at the crisis level—I don't buy!!!

I think you are making a mountain out of a mole hill.

Very truly yours,
Adolphus W. Hawkins, Jr.
Richmond, Virginia

EUROPE WILL UNITE

I would personally like to thank Mr. Richard C. Longworth for his very good article on "Crisis Politics" [European Community No. 176, page 16]. This article explained very clearly each member's governmental problems. In my opinion I believe Europe will unite and become a great power.

Also, I found Mr. Jens Otto Krag's article on page 11 of the

same issue very enlightening.

Although just a housewife, I try to know a little that is going on in the world around me. Your magazine is very helpful in allowing me to do this.

Sincerely,
Mrs. Kenneth Peake
Washington, DC

MORE ON MELANCHOLY

David Binder's "Atlantic Squalls" [European Community No. 176, page 13] was written from a rather interesting point of view. Among other things he spoke of melancholy: "Melancholy is a European attitude. . . . The United States does not have a society geared for despondency."

From this I would conclude that European society easily permits discouragement. But where is the proof of this? Certainly the postwar economic boom in countries such as France and Germany gives no evidence of discouragement. Regardless of the boost given by the Marshall Plan, the will, the energy, and the desire to overcome difficulties were indispensable to the reconstruction of the devastated countries.

If Europe is melancholic, it is perhaps a romantic melancholy, a cherishing of the past, the times of grandeur, of true leaders, of cultural awakening, when human work corresponded to human life.

Europe should not be singled out at a time when the West is in a state of crisis, when citizens no longer find themselves represented by those they have elected, when democracy is in the process of becoming a meaningless word, and when economic conditions make daily life more and more difficult.

Every human needs landmarks, a certain security, an outlet for his pride. Europe finds these in its past. In this sense, Europe is melancholy. But I hasten to add that this melancholy remains at

an intellectual level. The facts prove that to sacrifice the present for the past can be an intellectual attitude which does not inhibit action.

The present situation only reinforces this intellectual melancholy. Despite the warnings of such people and groups as Sicco L. Mansholt and the Club of Rome, the European governments, whatever their political orientation, have all opted for growth, for the "flight forward." But growth and higher standards of living constitute only one side of the coin, whose opposite side is the relative conception of happiness: "I am happy only if my car is bigger than my neighbor's." This is a new source of European melancholy. Other sources are a certain apprehension in the face of future shock and the breaking up of the European ideal.

Now to the United States: "Americans fight gloom the way they fight body odor," Mr. Binder said. His parallel between gloom and body odor interests me. In both cases, it is a question of a struggle to save appearances and not to get to the root of the problem. Concealment is not disappearance, and if wealth is not general in the United States it is, however, spread out enough to hide misery and despair. Mr. Binder says Americans take recourse to "agreements . . . to exorcise the feeling of despair." These "agreements" are minimal aid to the poor.

Thus, if the Europeans are prone to looking easily backwards, the Americans tend to close one eye when faced with the present despair in order to leave the other open to combat the European melancholy.

In short, Mr. Binder's interpretations should hold our attention but should not conceal international relations behind a veil of sentiments. Geopolitics and

sentimentalism are not comparable. Neutralism or opposition to the United States, in spite of what Mr. Binder says, is geopolitical and cannot be interpreted sentimentally. The role of history is certainly important in contemporary geopolitics, but do geopolitics lend themselves to sentimental interpretation?
Christine Facomprez
Washington, DC

ISRAEL AND THE UN

First of all, there is "no error" in Vincent Roberts' definition of the 1967 UN Resolution 242 calling for Israel's withdrawal from occupied territories [see European Community No. 173, page 12 and No. 175, page 22]. The phrase "withdrawal from territories occupied in the recent conflict" does not mean "withdrawal from some territories" so that a feeling of security would be provided to Israel. The defense and security sentiment is different from withdrawal. That sentiment could encourage Israel to remain in all the occupied territories. Even in your own home you may feel insecure. What about the Palestinians?

Anne Eudoxie Francis
Hollywood, California



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.

Private Foreign Investment and the Developing World. Edited by Peter Ady. Praeger Publishers, New York, Washington, and London, 1971. 282 pages with tables, figures, notes on contributors, and appendix. \$16.50

A collection of papers and discussions exploring the issues involved in the function, profitability, and validity of private foreign investment in developing countries.

The book includes the points of view of businessmen, economists, and representatives from the "Third World." Topics include investment practices, taxation, fiscal policy, and joint ventures. The book's contents represent the proceedings of a conference on "Direct Private Investment in Developing Countries," held by the Society for International Development at The Royal Society, London, September 23-24, 1969.

Canadian Relations with the European Community. Report of The Standing Senate Committee on Foreign Affairs (The Honourable John B. Aird, Q.C., Chairman). Queen's Printer for Canada, Ottawa, 1973. 52 pages with appendices.

A report, with French and English texts, on EC-Canada relations by the Canadian Parliament's Standing Senate Committee on Foreign Affairs.

The report discusses the importance of the European Community

to Canada, Canadian programs related to the Community, and the probable future dimensions of Canada-EC relations. It also deals with the need to close the information gap about the Community in Canada and to establish an EC Information Service office in Ottawa. The report calls for an inter-parliamentary link between the Canadian Parliament and the European Parliament.

Europe and the Evolution of the International Monetary System. Edited by Alexander K. Swoboda. A. W. Sijthoff, Leiden, 1973. 172 pages with tables, notes, and index.

A collection of papers presented at the first conference of the International Center for Monetary and Banking Studies, Geneva, January 13-15, 1972.

This first volume of the International Economic Series of the Institut Universitaire de Hautes Etudes Internationales, Geneva, contains 10 essays by authorities in the field of international economic relations. Divided into three sections, the papers cover Europe and the world monetary system, European monetary integration, and the impact of capital movements on Europe and on the world monetary system.

The Future of the International Economic Order: An Agenda for Research. Edited by C. Fred Bergsten. Lexington Books, D.C. Heath and Company, Lexington, Massachusetts, 1973. 357 pages with tables and index. \$15.00

A Ford Foundation-sponsored study into the "possible need for new efforts to understand" the "importance and complexities of international economic issues."

The editor, a senior fellow of the Brookings Institution, emphasizes the need for new understanding and new policies in what he considers a new era in international economic relations. The book

covers 12 major policy issues—including environmental management and the international economic order, East-West economic issues, world politics and the international economic system, and a survey of developing countries' research needs in a changing international order. The book includes a foreword by McGeorge Bundy, president of the Ford Foundation.

The Prospects for an Economic Community in North Africa: Managing Economic Integration in the Maghreb States. By Abderrahman Robana. Praeger Publishers, New York, Washington, and London, 1973. 206 pages with tables, figures, map, notes, appendices, bibliography, and index. \$16.50

A study of whether the geographic unit of the Maghreb—Algeria, Morocco, and Tunisia—is potentially a political, economic, or social unit.

This book explores the historic heritage of the Maghreb, the institutional structure for a Maghreb nation, theoretical aspects of economic integration, the economic and trading structure of the Maghreb countries, attempts to restructure the Maghreb economies, the obstacles and potential for a Maghreb union, and the special case of Libya.

European Trade Unionism. By Eric Jacobs. Holmes and Meier Publishers, Inc., New York, 1973. 180 pages with bibliography and index. \$12.95

A study of the similarities and differences among the trade union movements in Europe and a synthesis of the common European experience.

How strong are the trade unions in Europe? How do they see their role in the European economy? What is the future for labor relations in Europe? These questions are answered by the author, who "analyzes and sets in context one

of the major issues in the growth of the European economy." The author is labor editor of the London *Sunday Times*.

Industrial Management: East and West. Edited by Aubrey Silberston and Francis Seton. Praeger Publishers, New York, Washington, and London, 1973. 260 pages with tables, figures, and notes. \$17.50

A collection of papers from the "International Economic Association Conference on Labour Productivity" in Ravello, Italy, August 23 to September 2, 1971.

The conference's aim was to compare and contrast the managerial problems in different types of economy, represented by participants from the Soviet Union, Eastern and Western Europe, and the United States. The papers are classified in four sections: management at the national level, problems at the industrial level, management and control techniques, and enterprises' organization and functions.

The Function of Judicial Decision in European Economic Integration. By Clarence J. Mann. Martinus Nijhoff, The Hague, 1972. 507 pages with bibliography, abbreviations, and indexes.

An analysis—combining the disciplines of law, political science, and economics—of the European Court of Justice from an institutional viewpoint.

The book's first part discusses the Court's organizational framework, the European Communities' legal character, and the Court's jurisdiction. Part two analyzes the theoretical foundations, including institutions and the concept of law, of juridical decision. The book's third and last part covers the Court's jurisprudence—its search for purpose, for authority, and for practicability. Indexes of Court decisions and Treaty articles are provided.

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 European Community Information Service, 277 Park Avenue, New York City 10017.

INVESTIGATION ON THE DEVELOPMENT OF SOFTWARE.

Industry Series No. 7, Commission of the European Communities, Brussels, 1973, 21 pages \$2.00
Synthesis report of five areas in software technology where advancement is needed. They are file maintenance, analyst's or synthetic languages, method, remote access, and handling systems.

THE EUROPEAN COMMUNITY AT A GLANCE. European Community Information Service, Washington, DC, January 1974, folder free, available in bulk
Outlines the three Communities, their aims, institutions, progress, and relationship with the world. Includes charts and tables of principal economic indicators.

BIBLIOGRAPHY OF EUROPEAN JUDICIAL DECISIONS. *Supplement No. 5. Court of Justice of the European Communities, Luxembourg, February 1973, pages 777-1091 \$2.00*
Multilingual edition. Fifth supplement to the Bibliography of European Case Law. Includes an index by subject, author, treaty article or law and a chronology of cases before the Court of Justice and the national courts.

SEVENTH GENERAL REPORT ON THE ACTIVITIES OF THE EUROPEAN COMMUNITIES. Commission of the European Communities, Brussels, February 1974, 527 pages \$4.00
Detailed description of the activities of the European Coal and Steel, Economic, and Atomic Energy Communities during 1973.

DIRECTORY OF THE COMMISSION OF THE EUROPEAN COMMUNITIES. *Special Supplement to the Bulletin of the European Communities.* Commission of the European Communities, Brussels, January 1974, 71 pages \$1.60
Reflects the Commission's reorganization. Includes the names of the Commissioners, Directors General, and Directors.

EXPOSES SUR LES ACTIVITES D'ORIENTATION PROFESSIONNELLE ET DES SERVICES DE MAIN-D'OEUVRE DES ETATS MEMBRES DE LA COMMUNAUTE: 1971. Commission of the European Communities, Brussels, 1973, 215 pages . \$2.00
Annual reports on the laws, organization, personnel, methods, research, and perspectives in vocational training and manpower in the original members.

THE EUROPEAN PARLIAMENT. Secretariat of the European Parliament, Luxembourg, July 1973, 28 pages free
Describes the role and institutional structure of the European Parliament.

REPORT ON THE DEVELOPMENT OF THE SOCIAL SITUATION IN THE COMMUNITY IN 1973. Commission of the European Communities, Brussels, February 1974, 244 pages . . \$2.40
Outlines the activities of the Commission in social affairs and discusses the situation in employment, vocational training, industrial relations, wages, working conditions, labor, housing, social services, social security, and industrial safety and medicine.

TEACHING AIDS

BRETTON WOODS AND AFTER (2). European Community Information Service, London, 1973, 4 pages free
Discusses the effect of the 1971 monetary crisis on the international monetary system.

EDUCATION AND THE NEW EUROPE. European Community Information Service, London, 1973, 4 pages free
Brief discussion of education and the EC Treaties, the European University, the European schools, and mutual recognition of qualifications.

UNITED STATES POLICY TOWARDS POSTWAR WESTERN EUROPE. European Community Information Service, London, 1973, 5 pages free
Brief historical look at U.S. policy towards European integration.

WORKER PARTICIPATION IN THE EUROPEAN COMMUNITY. European Community Information Service, London, 1973, 4 pages free
Brief discussion of the development of codetermination in the original members of the Community.

european community

INFORMATION SERVICE WASHINGTON OFFICE
2100 M Street, N.W., Suite 707, Washington, D.C. 20037 USA

Return Requested