

European Community

JULY 1974 NO. 178



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page 11: United Press International (UPI) Photo, New York.

page 15: UPI Photo, New York.

page 18 (bottom): Germany Embassy, Washington.

page 22: UPI Photo, New York.

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.

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Dateline Europe

IMPROVED US-EC CONSULTATIONS focused the June 10-11 meeting in Bonn of the EC Council of Foreign Ministers. After Council agreement on a consultation procedure, German Foreign Minister and EC Council President Hans-Dietrich Genscher met with US Secretary of State Henry A. Kissinger, enroute with President Richard M. Nixon to the Mideast, in Bad Reichenhall, Germany. The discussion concerned the Conference on Security and Cooperation in Europe, European-Arab dialogue, and the setting up of a US-EC consultation procedure. In response to a news conference question, Kissinger replied that he felt the European-American dialogue is making good progress and that separation is being made between theology and practice.

INFLATION AND PAYMENTS DEFICITS were the subject of a June 6 Commission communication to the Council. The Commission, in calling for a common EC strategy against inflation, said the Council should instruct its economic policy coordination committee to study and draw up programs for improving the economic situation in each member state. The Commission said the Council should also adopt a common position on payments deficits whereby the Community would help less favored member states with either loans or special credits. The Commission proposed reorganizing the joint currency float through common monetary, interest rates, and capital movements policies.

CARLO SCARASCIA MUGNOZZA, EC Commission Vice President responsible for Community environmental and consumer affairs, visited Washington June 2-5 for meetings with US officials on international environmental and consumer issues confronting the United States and Europe. He stressed in his talks that the Community's concern with protecting the European environment does not stop at the borders of the nine EC member countries but is international in scope. Therefore, he said, the Commission wants to maintain close cooperation with the US Government.

RALF DAHRENDORF, EC Commissioner responsible for science, education, and research, gave the June 15 commencement address at Kalamazoo College, Kalamazoo, Michigan, where he was awarded an honorary doctorate. In his address, Dahrendorf hypothesized three phases in the US-European relationship. In the Fifties, "the fundamental community of interest was established... [with] the United States as the senior and Europe as the junior partner." In the late Sixties, he said, "a phase of irritations began... military, commercial and financial, [and] even political." From these irritations, however, Dahrendorf saw hope that a third phase of European-American relations would emerge: "partnership in the full sense of the word -- mutual respect, recognition of equality as well as difference, interdependence as well as independence."

SEMI-ANNUAL US-EC TALKS were held June 6-7 in Brussels, the eighth in a continuing series of regularly scheduled meetings between EC Commission and US Administration officials. US Special Representative for Trade Negotiations William D. Eberle and EC Commission Vice President Christopher Soames, in a joint news conference, described the atmosphere of the most recent talks as "exceptionally good." The talks covered such topics as energy, agriculture, trade, and relations with developing countries. Further discussion of the topics was scheduled on an expert level.

BRITISH PROPOSALS FOR EC MEMBERSHIP RENEGOTIATION were presented to the EC Council of Ministers at its June 4 meeting in Luxembourg by British Secretary of State for Foreign and Commonwealth Affairs James Callaghan. The detailed proposals covered the EC budget, the common agricultural policy, the Commonwealth and developing countries, and industrial and regional policies. Acceptance of these proposed changes in Britain's terms of entry would not, Callaghan said, require a change in the EC Treaties.

Community News

US-EC Relations

Compensation Talks

President Richard M. Nixon announced on May 31 that "trade negotiators from the United States and the European Community, meeting in Brussels, have agreed on a formula for reducing Community import duties on a significant number and volume of American exports. These reductions are in compensation for changes which occurred when the European Community was enlarged to include Great Britain, Ireland, and Denmark."

The negotiations were conducted within the framework of the General Agreement on Tariffs and Trade (GATT), Article XXIV-6.

"The resolution of this important issue, following long and arduous negotiations over a period of several months, represents

a major step toward improved Atlantic relationships," President Nixon said. "It also helps to clear the way for prompt Senate action on the Trade Reform Act."

The President said, "the thanks of the entire Atlantic community" was due to the negotiators, EC Commission Vice President Christopher Soames and US Special Representative for Trade Negotiations William D. Eberle.

Simultaneous with the President's announcement, EC Commission Vice President Christopher Soames held a news conference in Brussels. He expressed the hope that the world trade negotiations within the GATT would now go forward successfully in order to prevent a return to protectionism.

Details of the agreement were to be announced.

US Labor Officials Visit Brussels

Effects of the European Community's social policy on multinational corporations and agriculture were discussed by US labor union representatives and EC Commission trade union and external relations officials in Brussels May 4-9.

Forming the US delegation were: Frank Fernbach, special as-

sistant to United Steel Workers of America President I. W. Abel; William Kaufman, Philadelphia-South Jersey joint board member of the International Ladies' Garment Workers Union; and Harry Conn, editor-in-chief of Press Associates, Inc., an independent labor news service.

A "Banner Year" for US Exports

"The first year of the enlarged European Community was a banner year for US agricultural and industrial exports [to the Common Market]," Jens Otto Krag said May 10 in an address before the Business Council meeting in Hot Springs, Virginia. Krag is chief of the EC Commission's delegation

to the United States.

According to the US Department of Commerce, he said, US exports to EC countries rose 41 per cent, from \$11.9 billion in 1972 to \$16.7 billion in 1973. Soybeans, the single most important US export, rose 84 per cent to \$1.2 billion, while corn nearly doubled

to \$900 million, he said. Above average gains were also recorded for oilseed cake, wheat, organic chemicals, aircraft, valves, and transistor exports.

While attributing much of these "spectacular gains" to inflation, Krag pointed out that the US export volume also expanded. The volume of soybean exports rose by about 65 per cent, corn 28 per

cent, wheat 8 per cent, oilseed cake 4 per cent, and tobacco 10 per cent. "To me," he said, "these figures show that American farmers and businessmen are far more competitive than they realize." According to Krag, GNP figures and productivity estimates for the Seventies showed that one American produces roughly as much as 2.6 Europeans.

US-EC Science Exchange

Sixteen American government scientists were guests of the EC Commission May 16-21. The group included representatives of the Atomic Energy Commission (AEC) and the National Science Foundation (NSF). The purpose of the visit, arranged by NSF Director Guyford Stever and EC Commissioner Ralf Dahrendorf, was to exchange information about publicly funded EC and US research programs.

The American guests, led by NSF Energy Research Director Paul F. Donovan, visited the Community's joint research centers at Ispra, Italy, and Karlsruhe, Germany, and the Institute for Plasma Physics at Garching, Ger-

many. They held working meetings in Brussels, under Dahrendorf's chairmanship, with EC experts in the fields of research, energy, industrial and technological affairs, environmental protection, and external relations.

The working parties discussed:

- energy exploitation
- non-electrolytic production of hydrogen
- solar energy
- extraction of non-polluting energy from coal and non-pollution mining of coal
- geothermal energy
- controlled thermonuclear fusion
- atomic reactor safety
- methods for estimating energy needs in advance.

Hillery Visit

"Links between the United States and Europe have always been and must continue to be of vital importance for both our peoples," EC Commission Vice President Patrick John Hillery said in a May 10 address to a New Orleans conference organized by the US Atlantic Council and the University of New Orleans.

Hillery underlined the need for revitalizing US-EC relations "in an era of détente," to strengthen the "triangular understanding between the United States, the Community, and Japan; to accommodate the emerging economic

power of the oil producing countries; and to assume new responsibilities for the least favored nations of the world."

Hillery defended the EC industrial policy. "There is no discrimination against US companies or against any foreign companies as such." To the contrary, he continued, the Community's basic aim is to encourage and maintain a beneficial degree of competition rather than market dominance of any giant corporation.

Hillery, responsible for EC social and labor affairs, also visited Washington May 6-9 for talks with labor union and US Administration officials.

Economy

Steel Outlook

The energy crisis should not affect Europe's iron and steel industry, according to the EC Commission's 1974 forecast steel program.

In 1974 EC steel consumption will be 2 per cent higher than 1973, the Commission said. Consumption in 1973 exceeded 1972 consumption by 8 per cent.

Despite a slowdown in the last two months of 1973, EC exports rose 1.8 million metric tons to 27

million metric tons in crude steel equivalent. EC sales to Asian, East bloc, and Latin American countries went up significantly but dropped to the United States.

Crude steel production reached 150 million metric tons in 1973, 8 per cent more than the previous year. Except for Britain (hurt by the 1973 miners strike), all member states saw a steady rise in production. Steel related industries most hurt by the energy situation were the auto and building industries, the Commission said.

Soames Warns of Depression

Only continued liberalization of world trade can head off a Thirties-type depression, EC Commission Vice President Christopher Soames told the council of ministers of the Organization for Economic Cooperation and Development (OECD) meeting in Paris May 29-30.

"From one unilateral action, through the reprisals for it, to further unilateral acts would be sliding down the slope of self-defeating efforts to get rid of one's problems on to someone else. This can only have one outcome—ever worse relations between our peoples, ending in slump and depression, as in the Thirties," Soames said.

Speaking in support of an OECD draft resolution, Soames said, "The resolution underwrites the present degree of liberalization and confirms the commitment of member governments to greater international cooperation, and it recognizes the fact that the proper solutions for balance of payments problems are to be found in mone-

tary and economic policy, and not in commercial policy.

"We in the Community are convinced that it is not sufficient simply to maintain the status quo. We must not only secure what we have already achieved in freeing world trade and in establishing rules of conduct and arrangements for natural support, we need to go further in the same direction of greater liberalization and international cooperation. The answer to our new situation is not to doubt or to falter, still less to turn back, but rather to summon up the determination to press on.

"This is no attitude of bravura. It is founded in solid calculations which are as valid in foul weather as in fair. It is these which lead us in the European Community to reaffirm also that progress with the multilateral trade negotiations is in present conditions more important than ever [see page 00]."

In regard to development aid, Soames said, "The Community considers that it is not enough

simply to agree not to reduce aid to the developing countries. It needs, on the contrary to be increased." Aid, he said, should be 0.7 per cent of member states' gross national product.

US special representative for trade negotiations, William D. Eberle told the OECD meeting, "In the international economic field, we are, as you know, confronted with a major unprecedented shift in the current accounts of most member countries. The traditional structure of inter-

national payments has changed dramatically since last summer." He said the United States attaches "a high political importance" to the OECD resolution but regards it "as complementary to the work going forward in the [International Monetary Fund] Committee of Twenty, which is considering proposals to supplement existing international procedures in order to deter the choice of trade measures for balance of payments adjustment."

Business Climate

The European Community's business climate is noticeably better than had been feared at the start of the energy crisis, according to the EC Commission's latest monthly issue of "Graphs and Notes on the Economic Situation in the Community."

The Commission found heads of firms much less pessimistic

than expected and industrial activity still high, except in some consumer goods industries. The auto, textile, and clothing industries were especially hard hit.

The EC labor market has stabilized recently, and unemployment has dropped slightly in Britain and France, the report said. The cost of living, on the other hand, rose faster, as higher production costs showed up in consumer prices.

External Relations

Indian Trade Links

First steps toward implementing the EC-India Commercial Cooperation Agreement were taken at an EC-India Joint Committee meeting in Brussels May 27-28.

Two subcommittees were set up, one to work on trade in fibers and cottage-industry goods, the other on trade liberalization measures, technical assistance for trade promotion, joint research,

economic cooperation, and the efficient utilization of the generalized preference system.

The meeting was chaired by Indian Commerce Minister D. P. Chattopadhyaya and EC Commission Vice President Christopher Soames, who pledged "every effort" to extend and diversify economic and commercial links between the Community and India. A second meeting of the joint committee will be held later in the year in New Delhi.

Development Aid

Close cooperation between the European Development Fund (EDF) and European Investment

Bank (EIB) neither delays nor tends to concentrate aid in the European Community's more developed associated states, the Commission said May 17 in an-

swer to a written question from the European Parliament.

The eight associated countries on the United Nations list of the world's least developed countries received 97.9 per cent of the grants and 2.1 per cent of the special loans offered by the EDF since the first Yaoundé Convention took effect, the Commission said.

With some exceptions, ordinary EIB loans were granted to states who were better off, such as Cameroon, Ivory Coast, Senegal, and Zaire. According to the Commission, however, the Community is tending more and more to concentrate its aid efforts on the least developed associated states.

New Generalized Preferences

Following a request from Britain, Denmark, and the Netherlands, the EC Commission has recommended to the Council of Ministers the extension of the Community's generalized tariff preferences system to 18 products, mainly agricultural, as a measure to help developing countries. If approved, the measure would take effect September 1, 1974.

The proposal would lower or eliminate tariffs on certain meats, crustaceans, fruit, sponges, spices, vegetable oils, homogenized soups, tobacco, and cigars. Loss in customs revenue would be "relatively low," the Commission says.

The Commission noted that 36 of the products for which the three countries requested an extension

of preferences were already covered while others were already being imported duty-free by the three countries. Primary products do not normally qualify for preferences, but some effort was needed to help developing countries. More could be done if other major economic powers were more generous with preferences, as requested by the United Nations Conference on Trade and Development (UNCTAD), the Commission declared.

The Commission said the proposal would cover 28.7 million units of account (UA) of EC imports from beneficiaries of generalized preferences, against a total of UA 70.7 million of non-Community imports. (One UA equals \$1.20635 at current rates.)

Coal and Steel

The market situation and investments in the European coal and steel industry were discussed at the twelfth meeting of the Sweden-European Coal and Steel Community (ECSC) Contact Group, in Stockholm on May 16.

Representatives of Swedish Government agencies, trade un-

ions, and the iron and steel industry met with an EC Commission delegation led by Johannes Petrick, director of the Commission's Industrial and Technological Affairs Directorate General. The group also discussed the possibility of future EC-Sweden cooperation in technical iron and steel related research, statistical exchanges, and standardization measures.

Palestinian Aid

Palestinian refugees will be guaranteed continued educational assistance from the United Na-

tions Relief and Works Agency (UNRWA) if the EC Council of Ministers adopts an EC Commission proposal to underwrite certain UNRWA 1974 operating costs with EC funds.

The European Community would incur the 6.5 million units of account (UA) cost of running an UNRWA program to help educate refugees on a post-elementary level.

UNRWA appealed for EC assistance when put in serious financial straits by inflation. The Community has already agreed to provide UNRWA with UA 11.5 million for food aid to the refugees.

East-West Trade

Trade agreements between European Community member countries and state-trading countries may no longer be negotiated on a national basis, the Council of Ministers confirmed in principle on May 7 in Brussels.

Henceforth, all trade negotiations should be conducted by the Community, the Council remarked. The decision will affect

the East Bloc member countries of the Council for Mutual Economic Assistance (Comecon), who previously had negotiated bilateral accords with several EC countries. The persistence of national agreements stems from Eastern Europe's reticence about treating the Community as a unit.

In the past year, however, Comecon has indicated a willingness to open exploratory talks on future trade relations with the Community.

EC-Swiss Trade Accord

The two free trade agreements between Switzerland and the European Communities are operating well, according to the EC-Swiss Joint Working Committee, which administers the accords.

Switzerland's trade agreements with the European Coal and Steel Community (ECSC) and the European Economic Community (EEC)

went into force January 1973 and January 1974, respectively.

The committee met in Brussels on May 27. The EC and Swiss delegations emphasized the need to continue moving toward total free trade and to use appropriate consultation procedures to prevent current world economic troubles from undermining the accords.

Harmonization

Latin, EC Language?

Should Latin be made the European Community's common language to prevent American English from becoming the common

EC tongue?

This is not for the EC Commission to decide, the Commission said on May 10 in answer to a written question from the European Parliament.

Tightened Customs Enforcement

The potential for customs frauds in the European Community would be reduced if the Council of Ministers adopts the Commission's

April 22 proposal to grant a six-week lead time between official publication date of changes in EC customs rules and regulations and

their entry into force. Such a measure would ensure correct enforcement of customs regulations and equal treatment for importers and exporters throughout the Community, the Commission said.

Calling on the Committee of Permanent Representatives and the Council of Ministers to give

priority to all customs proposals, the Commission asked that adapted measures only take effect on January 1 or July 1 of each year, without retroactivity. The Commission also proposed simplifications in the common customs tariff nomenclature, such as reducing the number of subheadings.

Insurance Risk Sharing Plan

A European Community plan allowing insurance companies to share the risk of a policy with other companies in their own member state or anywhere else in the Common Market is now before the EC Council of Ministers.

The coinsurance plan, pro-

posed by the Commission on May 10, would eliminate restrictions in certain member states which prevent companies from going directly to other EC member firms to share a contract. Coinsurance companies would only be liable for their share of the risk.

EC Driving Licences

The best way to gain reciprocal recognition of member state driving licenses is to set up a uniform Community issuance procedure, the European Parliament said in a resolution adopted at its April 22-

26 session in Strasbourg, France.

The resolution, dealing with recent Commission proposals to harmonize national driving license laws, also called for close Commission examination of national medical standards for heavy truck and public transport drivers.

Social Policy

Guaranteed Health Care

Labor mobility within the European Community is enhanced by EC social security regulations that make EC workers (including migrants) pensioners, and their families eligible for free medical care throughout the Common Market.

Benefits are available to all persons presenting a simple EC form certifying eligibility. Denmark and Ireland require no proof from British citizens.

Medical expenses are paid according to the health system of the country where a claimant is

staying. Denmark, Germany, Ireland, Italy, the Netherlands, and Britain provide free care by doctors approved by the respective national health insurance systems. EC citizens must pay all or part of the costs in Belgium, France, and Luxembourg, but are reimbursed by health organizations in those countries.

EC citizens may also draw sickness benefits in each others' countries when illness leads to loss of salary, payable by the insurance body in the workers' home country.

Housing for Coal and Steel Workers

Housing for 185 workers in the Belgian coal and steel industry will be built with the help of a \$1.4 million loan in European Community funds, recently approved by the EC Commission.

The 12-year loan, granted at 5.5 per cent, will be channeled through the European Coal and Steel Community to the General Bank of Savings and Pensions at Brussels.

Aid for Ship Workers

The European Parliament has endorsed the EC Commission's recent proposal on European Social Fund intervention to help workers in the shipbuilding industry.

Such support should fit within the framework of restructuring investment policy coordinated at the EC level, the resolution said.

The Parliament also emphasized that EC industrial, regional, and social policy measures for the European shipbuilding industry should not be delayed, although shipyard order books are comparatively full, if the industry is to hold a strong position world wide.

Finet Foundation

The executive committee of the Paul Finet Foundation met in Luxembourg on April 1, under the chairmanship of EC Commission Vice President Patrick Hillery, responsible for EC social policy.

Britain was represented for the first time, by Joe Gormley, president of the National Union of

Mineworkers, and National Coal Board member Norman Parkin.

The Finet Foundation was set up in 1965 to help educate orphans of European Coal and Steel Community workers. To date, the foundation has awarded nearly \$693,000 to 3,549 students whose fathers died in mine or steel mill accidents or from occupation-related illness.

Environment

Waste Paper

The mountain of waste paper emanating from EC headquarters in Brussels is growing larger, according to the EC Commission.

In reply to a European Parliament question, the Commission said the amount of waste paper soared from 115 tons in 1972 to more than 150 tons in 1973. The paper was sold to a recycling firm for about \$7,200.

Energy

Environmental protection and adequate energy are not contradictory, said the EC Commission in a draft resolution it recently sent to

the Council for approval.

The Commission said energy conservation measures should help preserve the environment through such methods as recycling and reuse of waste.

Asbestos Hazards

The EC Commission is studying levels of asbestos in the air and water and their potential health hazards but is unable to develop substitute products for asbestos in brake linings, it said May 17 in answer to a written question from the European Parliament.

Asbestos used in auto brake

linings may be harmful since it is released into the air as a fine dust when the brakes are applied. The Commission explained that the EC environment program only provides for research on antipollution technical measures in the iron and steel industry. It plans to award research contracts into the effects of asbestos on human health.

them to take part in discussion on EC problems. Scarascia Mugnozza acknowledged the duty of the press to criticize: "All the European institutions have a great

need for your critical vigilance." However, he added, such vigilance "must be aimed at creating public interest in the subject of your criticism."

People

"Gravest Crisis"

"Europe is going through the gravest crisis since the creation of the European Community," Petrus J. Lardinois said May 28 in Wiesbaden, Germany. He was addressing the congress of the Deutscher Raiffeisentages, an institution specializing in farmer financing.

Lardinois, EC Commissioner responsible for agricultural policy, said European integration is undergoing a "process of dissolution affecting the very basis of the

Community: the customs union and the common agricultural policy (CAP)."

"Without a common agricultural policy, European integration cannot survive," he said. The biggest obstacle to the functioning of CAP, he continued, has been Europe's lack of a coordinated monetary policy. He added that the farm ministers cannot solve this problem alone and that the help of all EC governments, particularly of the finance ministers, is needed.

Greenland Visit

George Thomson, EC Commissioner responsible for regional policy, visited Greenland May 22-27 to study Denmark's regional problems there.

The Commissioner's trip took

him to two of the island's principle centers, Godthaab and Holsteinsborg, and to the region of Sukkertoppen. Greenland would be one of the beneficiaries of the Commission's proposed Regional Development Fund, currently under review by the Council of Ministers.

Public and Press

"To grasp the true nature and dimension of [Europe's] problems . . . the Commission and the other Community institutions require the support of public opinion and constructive vigilance of the press," EC Commission Vice President Carlo Scarascia Mugnozza told the twelfth congress of the International Federation of Journalists,

in Luxembourg on May 13. Scarascia Mugnozza is responsible for EC environment, transport, consumer, and information policy.

Noting that interest in European affairs is "widespread rather than profound," he pointed to the need for arousing public interest in the Community. He called for "constructive vigilance" in the press which would "whet the appetite" of news consumers and induce

Soames Calls for Unity

"The international system of cooperation could disintegrate before our very eyes, as it did in the Thirties . . . unless we cement the political coherence of our Community," EC Commission Vice President Christopher Soames told the German Society for Foreign Policy in Bonn on May 21. Soames is responsible for EC external relations.

Unlike the past, when European events determined Community actions, Soames continued, the enlarged Community today must meet the demands not only of its

internal problems but "above all" those of world problems. To succeed, he said, the member states must "summon up the political will to arrive at common foreign policies," and create an "institutional framework . . . grafted on to the Community" to effectively carry out these policies.

Of the transatlantic dialogue, Soames said the Common Market is now seeking a "truly European-American relationship" not an extension of German-American, Franco-American, or Anglo-American relations.

Ortoli Visits Africa

EC Commission President Francois-Xavier Ortoli paid an official visit to Upper Volta on May 16-18 and to the Ivory Coast on May 19-21.

Accompanied by Commission Secretary General Emile Noël and EC "development and coopera-

tion" officials, Ortoli met with Upper Volta President Sangoué Lamizana and Ivory Coast President Félix Houphouët-Boigny. Ortoli also met with representatives of the Interstate Committee of the famine-stricken Sahel region in Ougadougou, Upper Volta on May 18.

Agriculture

IWA, Food Aid Accord

The European Community will participate in the International Wheat Agreement (IWA) and the Food Aid Convention (FAC) for another year. The protocol extending EC adherence to IWA from July 1, 1974, to June 30, 1975, was signed by Jens Otto Krag, Head of the EC Commission Delegation to Washington. The Council of Ministers had agreed to extend the EC role in FAC for another year on April 30.

IWA, signed by the world's wheat producing countries in 1967, provides for international consultations on production and food trade flows. The first FAC was signed in 1967 to provide for annual supplies of wheat for developing countries. A further three-year convention, signed in 1971, was due to expire this year.

In the wake of the Kennedy Round of world trade negotiations,

the Community supplied over a million tons of cereals annually from 1968-71 to developing countries under the terms of FAC. The 1973-74 EC food aid commitment

totals 1.3 million tons of grain, 45 per cent of which is granted through EC action. EC food aid includes powdered skim milk, but-teroil, sugar, and powdered eggs.

EC Apple Surplus

The European Community has more apples than it can sell, with 1973 stocks 390,000 tons higher than the year before, according to the EC Commission in answer to a written question from the Euro-pean Parliament.

The surplus has dropped the price for apples below the basic EC price, causing about 150,000 metric tons of apples to be taken

off the market.

In an effort to protect EC apple growers against market disturbing imports, the apple exporting coun-tries of the southern hemisphere have agreed with the EC Com-mission to phase down shipments to the Community. Accordingly, the Community's apple imports from April to June 1974 dropped by about 15 per cent below the corresponding periods in 1971, 1972, and 1973.

Food Price Hikes

Retail food and beverage prices in the European Community rose by an average of 7 per cent be-tween January and October 1973, according to an EC Commission answer to a written question from

the European Parliament.

Prices rose highest in Denmark (up 13 per cent), Britain (11 per cent), France (10 per cent), and Italy (9 per cent). Costs rose less sharply in the other EC countries, ranging from a low of 2.8 per cent in Germany to 5 per cent in the Netherlands.

Food Committee

A "Scientific Committee for Food" was set up by the EC Commission

May 27 to provide it with expert assistance in drawing up food quality legislation.

Competition

Dutch State Aids

The Dutch Government has agreed to an EC Commission proposed procedure for granting state aid to financial enterprises in the Netherlands.

Under the system, the Dutch state can guarantee credits by the National Investeringsbank (NIB) for industrial operations beneficial to the economy which involve too great a risk for NIB to finance without national guarantees. The guarantees can be granted for in-

dustrial operations such as indus-trial development, adaptation, and restructuring. Any industry may qualify for such aid.

Since the general nature of the system prevents the Commission from ascertaining whether its ap-plication will adversely affect EC competition and trade, the Nether-lands has agreed to notify the Commission of the programs selected, specifying the industry, and of cases where sizeable guarantees were given to individ-ual businesses.

Calendar

MAY

2 Council meets to discuss de-velopment aid.

2 Dutch Government agrees to Commission proposed proce-dure for state aid to financial enterprises (see page 9).

2 Commission Vice President Christopher Soames returns from official visit to Yugoslavia (see *European Community* No. 177, page 6).

3 Community participates in the second conference on the pro-posed European Science Foun-dation.

4-9 US labor union representa-tives visit Brussels (see page 4).

4 Commission meets to discuss Italian import restrictions.

6 Commission adopts new rules to improve bovine meat market.

7 Council meets to discuss agri-culture. Commissioner Petrus J. Lardinois, responsible for agri-culture, presents measures to reduce Italian import restrictions' impact on the EC common agri-cultural policy.

7-8 Council, on Commission rec-ommendation, temporarily author-izes Italian import restrictions (see *European Community* No. 177, page 3). Council discusses East-West trade agreements (see page 6).

8 Denmark announces intent to impose import restrictions similar to Italian measures.

10 Jens Otto Krag, EC Delega-tion Head to the United States, addresses Business Council meet-ing Hot Springs, Virginia (see page 4).

10 Commission proposes shared risk insurance policies (see page 7).

13-15 European Parliament holds plenary session in Strasbourg, France. General report on Com-munity activities is presented. Resolutions for protecting water

quality and historical landmarks are adopted.

16-21 American energy experts visit Brussels (see page 4).

16-21 EC Commission President François-Xavier Ortoli visits Africa.

16 Commission approves plan to protect workers affected by mergers.

16 European Coal and Steel Com-munity-Sweden Contact Group holds its twelfth meeting, Stock-holm (see page 6).

20 Commission approves hous-ing aid for Belgian coal and steel workers (see page 7) and edu-cational aid for Palestinian refu-gees (see page 6).

21 Commission Vice President Christopher Soames addresses audience in Bonn (see page 8).

22-27 Commissioner George Thomson visits Greenland (see page 8).

22 Italian Government ends salt monopoly.

27 EC-India Joint Committee meets in Brussels (see page 5).

27 EC-Switzerland Joint Com-mittee meets in Berne (see page 6).

27 Commission grants financial compensation to Belgium, France, and the Netherlands for private stocks of soft wheat.

27 Commission sets up Scientific Committee for Food.

28 Commissioner Petrus J. Lardi-nois makes address in Wies-baden, Germany (see page 8).

29-30 Commission Vice President Christopher Soames addresses the Organization for Economic Cooperation and Development, Paris (see page 5).

29 Commission registers com-plaint against glass manufac-turers in five member states for violation of Community rules.

30 Commission discusses energy policy and development aid.

31 President Richard M. Nixon announces agreement on a for-mula for trade compensation for the Community's enlargement.

Subjective and Objective Changes Affect US-EC Relations

ZBIGNIEW K. BRZEZINSKI, *director of the Trilateral Commission*

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 Managing Editor, European Community, Suite 707, 2100 M Street, NW, Washington, DC 20037. The following article was adapted from the opening address of a conference on "American Foreign Policy and the New Europe: Eastern and Western Views," held April 18-20 at Blacksburg, Virginia, by Virginia Polytechnic Institute and State University and The University of South Carolina. The conference proceedings are to be published under the same title, edited by Louis J. Menzies and James A. Kuhlman, Sijthoff Publishers, The Hague, Netherlands.

Let me put my thesis very directly: On the subjective plane, we are witnessing a fundamental change of mood in the way most of us perceive our reality. There is a very basic change in the intellectual spirit of the time. On the objective plane, we are witnessing a very significant challenge to the existing international system. Perhaps we are beginning to see the makings of an altogether new international system, if indeed a new system emerges out of contemporary uncertainties.

Instead of the pervasive optimism of a Karl Marx, John Stuart Mill, or Adam Smith, today what increasingly permeates the intellectual community—and through it the political community—is an altogether different mood. It has been given in some ways its sharpest, most extreme, but also most widely read expression in a little volume which can be seen as antithetical to this optimistic mood of the Nineteenth Century—"The Limits to Growth," which has at its basic heart the belief in decay rather than in progress, that change increasingly means degeneration, that change means piling up of complexity upon complexity, that problems increasingly are getting out of hand.

There will be people who will say that this decline in optimism and confidence is a peculiarity of the West, and that optimism facing the future remains still strong and pervasive in the communist states. But what I find is a decline in revolutionary optimism there as well, either about the eminence of revolutionary change abroad or about the attaining of a truly just and decent society in the near future. Symbolic of this fact is that the Communist countries in the last 30 years have not given rise to a single creative Marxist thinker. This is a symptom of a decline of confidence, of a warning of a commitment, and is rooted in the generally pervasive view that the problems surrounding humanity, that the general condition of humanity, is becoming increasingly complex, indeed increasingly unmanageable.

There is, of course, a great danger in all of this. For while optimism is not self-fulfilling, pessimism is clearly a self-fulfilling prophecy. There is a danger in our time of pessimism

becoming the dominant mood and thus paralyzing effective responses, needed reactions, and very much needed reforms. This mood of decay has a lot to do with the condition of our international affairs: an increasing feeling of futility, that problems cannot be fully managed, that ideals and Utopias are no longer to be had, that we are moving into a phase not only of increasing complexity but perhaps of increasing non-governability both domestically and internationally.

THE ATLANTIC CONNECTION

This subjective change of mood is related to an objective change which pertains to increasing stresses being imposed on the existing international system. That system came into being after World War II, which itself marked the collapse of an earlier international system. World affairs, such as they existed in the first several decades of this century, were Europe-centered, Britain-balanced, and London-financed. This was *the* international system, which was challenged by World War I and finally collapsed during World War II.

Out of that condition, out of that conflict, there emerged a new system, shaped largely by the United States on the basis of an Atlantic connection. In contrast to the antecedent one, the system was now Atlantic-centered, American-protected, and New York-financed. It provided continuity and stability for the next quarter of a century and benefited from the residual optimism of the earlier age. It was based on several rather optimistic assumptions, including the notion that Atlantic cooperation would move forward hand-in-hand with progress toward European unity and that European unity itself was not incompatible with the notion of Atlantic cooperation.

It was also believed that eventually Japan would cooperate within that framework. Certainly, it was believed that through deliberate pursuit and effort would emerge a liberal free trade and monetary world system based on certain commonly accepted rules of the game (see page 14). The self-adjusting free trade and liberal monetary system thus created would provide stability and continuity for social, political processes. Most notably, this system would permit a steady rate of growth for advanced countries averaging about 4 per cent per annum (resting in turn on continued access to relatively inexpensive raw materials), all of which cumulatively would enable advanced societies to maintain democratic institutions on the basis of socially progressive domestic policies.

It was also believed that the developing countries would by and large through external aid be successful in maintaining a respectable rate of growth and that their processes of internal modernization and nation-building would create stability and progress within them as well, thereby pointing toward a more equitable world order.

Finally, it was believed that the Communist world would remain essentially outside this system, occasionally perhaps

threatening although not really posing a fundamental challenge to it, but in so doing, essentially acting as a unifier of that system.

All of these assumptions are today very much open to question. We can no longer be sure that Atlantic cooperation is here to stay. And we certainly cannot be sure that it is not incompatible with progress toward European unity. Indeed, many of the central issues in the American-European relationship today involve precisely that concern (see page 19).

Is movement toward European unity incompatible with an Atlantic connection? Perhaps there is an inherent contradiction. Moreover, efforts to fit Japan into a larger framework have been rebuffed or at least complicated by the parties concerned. Progress toward a free trade and monetary system is rocky at the very least. Pressures from within societies, in part stimulated by domestic demands for higher rates of consumption made all the more intense by inflationary spirals, are putting a premium on unilateralism rather than cooperation. Intensifying clashes of interest and of policy between and within partners, who had been assumed to be able to cooperate within a self-adjusting and problematic system, have created tensions and conflicts.

Equally important is the uncertainty about the advanced countries' ability to maintain relatively stable and high rates of growth—the foundation not only of the master prosperity but also of the effectiveness of democratic institutions, which rest on the notion that socio-political systems can provide a continually expanding rate of public and individual spending. Indeed, we have created publics which are now accustomed to expect a continuous expansion in their well-being even when they are less and less prepared to make social sacrifices and to subscribe to the notion of citizenship. This implies a major challenge to the stability of democratic institutions.

Also, it is no longer so certain that the developing countries can maintain steady and promising progress toward development and modernity. The "Third World" is increasingly differentiated between those who are doing reasonably well as perhaps the *nouveaux riches* of the world community and those who are becoming increasingly mired in unmanageable problems. Indeed, the latter suffer from the differentiation itself, as for example those developing countries which have recently so negatively been affected by energy price increases. The cumulative effect is increasing uncertainty about prospects of stability and development for at least two billion people and at the same time an increasing propensity of the developing countries to view themselves as a bloc which is entitled to and justified in engaging in a confrontation with advanced countries, viewed largely as exploiters.

I attach great historical significance in this context to the recent special session of the United Nations (see page 14), which I think is a symptom of this polarizing tendency. More



"An architectural approach rather than an acrobatic approach. . . . The energy problem is a case in point." US Secretary of State Henry A. Kissinger (right) greets German President Walter Scheel, then Foreign Minister, at the February Washington Energy Conference.

and more organized blocs are struggling over the future of the human condition in the context of increasing pessimism. What is striking today is not only the decrease in optimism and commitment to the notion of progress in the advanced countries but also the uncertainty and pessimism about the future within the developing countries themselves. This is therefore part of the interaction between the objective and the subjective.

Finally, the Communist world confronts us today with a much more differentiated part of humanity, which is engaging in an intense political conflict with each other in some cases, notably the Sino-Soviet relationship. This, too, incidentally, is a partial refutation of the notion of progress. For one of Communism's fundamental assumptions was that once socialist societies are created international conflict will automatically disappear. This, therefore, is a very significant refutation of one major aspect of the concept of progress and hope—namely that peace in the world is to be had on the basis of social, economic, and ideological uniformity.

NO LONGER EASY

All of that thus creates a world which is far less easily definable than the world which emerged out of the conditions of World War II. It is no longer a world in which it is easy to shape policies pertinent to the American-European relationship, nor is it a world in which it is easy to offer simple and

rapidly self-fulfilling prescriptions for the East-West relationship. With respect to both, a great deal of patience, prudence, and restraint seems very much in order.

During recent years in the American-West European relationship, the pressures toward unilateralism have created fissures which could have been avoided by more patient and more prudent leadership. The Europeans sometimes have been much at fault, but in my judgment US policies toward Europe have also been unilateralist and impatient—and, in some respects perhaps, historically anachronistic.

The notion of a close and tight Atlantic relationship, such as was implicit in the call for an Atlantic declaration launched by Secretary of State Henry A. Kissinger last year, seems not quite to fit the conditions prevailing today. Indeed it seems much more appropriate to accept the notion that the new Europe, when it emerges as a new Europe, will define itself in ways which will inevitably mean some loosening of the American-European bond, although the fundamental link will remain. For this link is based not so much on specific institutional arrangements as on a philosophical and cultural affinity, deep and binding. It is thus very important for the United States to remain committed to the notion of European unification whatever specific shape that European unification might take.

It is, I think, an error for the United States to insist that European unification identify itself as being Atlanticist, to decry European unification if it seems to fall short of the standards of Atlanticism. Ultimately a united Europe—this being the first historical phase of long-range phases—means a Western Europe which is bound to have a closer affinity for the United States than for any other major party in the world and vice-versa. Thus to insist that a Europe which moves towards European unity should define itself at the same time in Atlanticist terms is counterproductive and ultimately is not even needed.

Secondly, it seems unwise for the United States to insist on a very specific and procedurally institutionalized process of consultations with such a Europe, which is still engaged in the process of defining itself as a potential Europe. This has become a very burning subject in relations between the United States and the Community. The United States, to be sure, has a legitimate negotiating grievance. If the Europeans insist on shaping their policies in utter exclusion of any consultative relationship with the United States and then presenting them as non-negotiable on the grounds that it was so difficult for the "Nine" to reach a consensus, this, of course, makes any negotiating relationship impossible. In that sense, the United States has a legitimate grievance, but the answer is not to insist on formal consultative relationships. Such insistence then permits the French both to block that demand as an unwarranted American interference into the European decision-making processes and at the same time to elevate this into an ideological



"A very specific and procedurally institutionalized process of consultations with Europe . . . has become a very burning subject in relations between the United States and the Community." The EC Council's November 6, 1973, Mideast declaration is sometimes cited by US critics as an example for the need for such consultations. Pictured is Belgian Foreign Minister Renaat Van Elst meeting reporters after that Council meeting.

issue of alleged American supremacy over Europe.

It is much wiser, it seems in the prevailing context, to operate flexibly and informally. Precisely because there are nine European governments involved, it is possible to consult, to know what the Europeans have in mind, to let the Europeans know what the US position is, and thus to be an informal negotiating party prior to the formation of the final European position. The eulogizing and dogmatizing of this issue is both politically and historically counterproductive.

Thirdly, it seems the United States must think in much broader terms. It must look at some of the central issues involving both the Americans and the West Europeans, such as monetary problems, relations with the developing countries, or that whole host of new global issues surfacing today—environment, resources, the oceans. These issues can no longer be adequately dealt with in the context of the old Atlantic relationship. These have now become very much global problems and in the first instance very much problems of utmost interest to all of the advanced countries.

ARCHITECTURE INSTEAD OF ACROBATICS

A framework which tries to deal with these central issues largely on the Atlantic-Europe-American basis simply leaves too many interested parties out to be truly effective and historically relevant. Thus, Japan has to be involved more and more in any larger cooperative framework. Japan has to be a partner in any new monetary arrangements, in any new trade arrangements, in shaping any new policies toward developing countries. This seems to imply by definition a less ideological and more flexible approach on the plane of American-European relationships. It also means an architectural approach rather than an acrobatic approach.

Acrobatics usually involves solo feats of great individual accomplishment, rampant performance, and short duration. Architecture involves a much more sustained and patient effort and also collaboration. Today no major architectural structure can be the creation of a single individual, even though one individual may infuse it with this or that creative insight. The true architect today is one who knows how to work on the team basis, knows how to consult, knows how to inspire others to work in common. In practice, this means not the surfacing of dramatic proposals by one country alone (and here I speak as an American of the United States), but it means the

negotiating of common proposals under joint surfacing.

The energy problem is a case in point. The notion of a joint response of advanced countries to this very critical dilemma is a very sensible one, for the advanced countries have certain common problems. They also have certain common resources that they can pool. But to make such cooperation effective it is not wise to surface it as the proposal of a single individual representing a single country and then to insist that the conference be held under *its* sponsorship, in *its* capital.

A far more efficacious way of moving—much more in keeping with the times, much more architectural and less acrobatic—would be to surface such a proposal on the basis of prior consultations and perhaps to have such a conference under the sponsorship of some of the existing institutions designed to deal with problems of this sort, such as the Organization for Economic Cooperation and Development. It is this kind of approach which is so much needed in US relations with Europe.

In regards to the East, the United States must be more patient and view the problems in a wider historical perspective. In the past, these problems tended to be viewed in somewhat apocalyptic terms. Sharp confrontations were expected. At times, the cold war was viewed by many people as a prelude to a hot war, and then at other times it was assumed that just because of deterrence, division had disappeared. A more rational and prudent judgment is one which recognizes that the differences which exist have become deeply embedded in institutions, bureaucracies, vested interests, and even human psyches and are not going to disappear rapidly.

East-West détente, the building of bridges, will not mean the rapid appearance of systems which somehow or other have become more alike—that is, convergence, a doctrine which was fashionable 10 years ago. The differences that divide us from the other half of Europe are profound in both the philosophical sense and the political sense. Philosophically they are profound because they still involve different perceptions of the nature of change and of how societies have to be organized. Politically they are profound because there are security interests, fears, uncertainties, and temptations, which have a way of reawakening residual aspirations and residual doctrines.

The changes in security arrangements in Europe will have to be symmetrical and negotiated carefully. There should be no illusions about rapid progress toward mutual and balanced force reductions, given the legacies of recent years and decades.

Progress in trade can be expected. But, if trade is meant to grow and bring us together, it has to be part of a larger process of growing together. Artificial restraints on freedom of thought and movement have to disappear. Indeed, it is a form of artificial compartmentalization to preach on the one hand the closest and widest extension of economic links and at the same time to justify, on whatever superior grounds, continued

restraints on the freedom of movement of people, on the free expression of thought, on a common response to increasingly common problems that call for a common, free, and uninhibited dialogue among all concerned parties.

There is, therefore, a linkage between political, economic, and philosophical or social issues. This linkage is not an artificiality—it is a fact. It is a fact because the human condition is an interrelated fact. To separate one set of issues for resolution ahead of all others is impossible, especially if the resolution of only one set of issues is more profitable to some parties and less to others. If there is to be progress on the East-West front, as there is to be progress on the American-European connection, flexibility, pragmatism, and patience are required here as well.

SYSTEMS COME AND GO

In conclusion, it would be extremely unfortunate if our current response to existing international difficulties merely tries to buttress the existing international system. We have to recognize that international systems come and go. They are responses to specific sets of conditions.

One of the reasons why the existing international system confronts a challenge today is that altogether new historical conditions have arisen. In the process of shaping a new international system, many more parties will have to be engaged in a dialogue about it and in the participation of shaping it.

In doing so a dramatic shift from the idea of progress to the concept of decay must be eschewed. There is a danger in apocalyptic shifts of moods. The human condition is extraordinarily complex and has a great deal of durability, and each generation inherits a new host of problems and tackles them with a new sense of vigor.

It would be extremely unfortunate, if in the shift from the idea of progress to consequent decay, we increasingly began to conclude that problems are unmanageable and that our societies are moving into a phase of increasing decline, tension, internal and external turmoil, for that mood itself would paralyze the needed response. What is needed is the recognition that regional problems now have to be viewed in a larger global perspective. Regionalism no longer is an adequate response. Issues such as a united Europe or the East-West relationship now cannot be separated from the larger global dimension. In being seen in this larger dimension, they tend to be diluted of some of their initial doctrinal or political rigidities—in that sense, that represents progress.

The shift from international politics to global politics, while increasing the scale of complexity, is also the beginning of the shaping of a global community in which many of these more traditional international and regional problems, on which we have focused so much in the past, will become less and less important.

Bretton Woods + 30

New Trade Patterns Hit World Economy

VINCENT ROBERTS, former American official in the Organization for Economic Cooperation and Development

By this time last year, major trading nations had prepared tentative positions for what was then billed as “forthcoming negotiations to be held in the General Agreement on Tariffs and Trade (GATT) in Geneva.” The US Administration had submitted draft legislation for congressional approval. The EC “Nine” had approved a “global approach” to guide the EC Commission in negotiations. In September, Japan was host to a GATT ministerial conference attended by 105 ministers. That gave a name to the talks, “the Tokyo Round.” It would be, if and when it begins, GATT’s seventh major negotiation on trade since the world’s present economic system was born at the July 1944 Bretton Woods Conference.

Previous rounds had been eminently successful in reducing trade barriers, item by item, until the Kennedy Round began in the early Sixties. Then a broadside attack lowered tariffs by 33 per cent for some \$40 billion worth of exports. Recently, however, new impediments began to harrass international exchanges in goods and services, particularly the nontariff variety like export subsidies, strict licensing procedures, and severe standards for packaging and labeling. More seriously, some GATT member countries were stretching the organization’s agreed regulations too far and even ignoring them at times. Some members declared that certain GATT rules were no longer relevant in a world where trade had expanded rapidly, where competition was fierce and new technologies had changed the name of the game.

ANCHOVIES AND SOYBEANS

An increasingly important nontariff barrier is known as “export restriction.” In the past, advanced countries restricted exports on strategic defense materials to potential enemy countries. In recent times, Japan was persuaded by the United States “voluntarily” to reduce exports to America in the interests of more balanced trade between the two countries. When the succulent anchovies swam away from the traditional fishing grounds off Peru last year, that country restricted what little fishmeal was available for domestic purposes. The same situation applied in the United States when last year its soybean crop failed to the unexpected disadvantage of feedstuff producers in West Europe and Japan. Almost all industrialized countries restrict exports of scarce scrap ferrous to protect domestic steel industries.

The trade negotiators preparing for the Tokyo Round had not anticipated, however, a new export restriction—on crude petroleum. Production cutbacks and embargoes may have been designed as political weapons in the Mideast conflict last October, but another effect, as with other export restrictions, was to quadruple prices and plunge industrialized countries into a combined trade deficit in 1974 estimated by the World Bank at \$44 billion.

This rude shock to the industrialized world, quickly dubbed

“commodity power,” was soon followed by threats of similar restrictive measures by other producers of basic resource materials—copper, bauxite, phosphates, tin, manganese, and cobalt. At the United Nations (UN) General Assembly Special Session in April, it became clear these countries, mainly in the process of development, were determined to get more for what was left of their raw materials, and some have since formed cartels for that purpose.

During the Special Session on raw materials and development, world leaders began talking about the colossal changes reshaping the global economy and the expanded role to be played by the developing countries. The new challenge was graphically described by Walter Scheel, who was then German Foreign Minister and spokesman for the EC Council of Ministers: “Let us be clear about this: the long-term development of the world economy is at stake. We need a new worldwide equilibrium. Adjustments are necessary to achieve it. We must make efforts to avoid economic recession and curb the worldwide process of inflation. This can only take place in a spirit of solidarity among all states.”

GLANCE AT THE RECORD

Later in his speech, Scheel again referred to the need for re-dedication to the postwar concept of multilateral economic relations and added, “Any risk of a return to bilateralism must be avoided.”

The multilateral principle was born 30 years ago when some 750 delegates and observers from 44 countries gathered at the small New Hampshire town of Bretton Woods to plan strategies for postwar reconstruction. They not only agreed on international cooperation in economic affairs but laid the groundwork for intergovernmental organizations to foster it. The litmus test would be a liberalized trading arrangement backed by a stable payments system and a gold-linked dollar as the trading world’s principle reserve currency. A brief glance at the record will show how well it worked.

In the 20-year period through 1970, world trade expanded fivefold. Global export markets moved from \$60 billion to over \$300 billion annually in the two decades—and moved on from there. The industrialized countries’ share in this rich pie rose from 50 per cent in 1950 to 72 per cent in 1970. In the Sixties, the European Community of the “Six” emerged as a great trading power and increased its share of the world export market from 23 per cent to 28 per cent, due almost entirely to intra-EC trade where tariffs had been reduced to a zero level. Japan doubled its share of the market from 3 per cent to 6 per cent. Although the US share declined somewhat, its annual trade surpluses in those years were substantial.

For the newly developing countries which became a factor in world trade in the post-colonial Sixties, however, the picture was not so rosy. Their share of world export markets in that

decade declined from 21.3 per cent to 17.1 per cent. As a group, their trade balances remained annually in a deficit situation.

The disparity between developed and developing countries was due partly to new trends in world trade. Structural changes in the economies of advanced nations began making themselves felt in the trade lanes. Agricultural production and farm employment lost their prime position to industrial and service sectors. As government and industry poured massive funds into scientific research and development, new levels of productivity were reached, new manufacturing processes developed, and more sophisticated trade products were made to meet demands of higher income earners.

Thus, in the Sixties, trade in manufactures increased at an annual rate of 12 per cent and that of agricultural products by only 5 per cent. Yet the value of agricultural products for developed countries—meat, cereals, feed grains, and dairy products—rose by 73 per cent. For developing countries, the increase in price was 27 per cent by comparison. While limited

increases applied to tropical products, such as fruits, coffee, and cocoa, agricultural raw materials made no headway at all, and some items, like cotton, declined.

NEGOTIATIONS BECOME URGENT

For international trade and the economies of industrialized countries, 1971 could be considered a crisis year. It was a time the United States suffered its first deficit on the trade account in this century. In previous years trade surpluses had kept the US payments situation manageable. Now with a weakened dollar the international payments structure began coming apart. On August 15, 1971, the United States closed the gold window. Dollar devaluations followed. The era of monetary crises was at hand. In the latter part of 1971 growth rates of world exports, reflecting the impact of inflationary pressures, showed signs of a decline in real terms.

The industrialized countries of Western Europe, together with the United States and Japan, established a "high level

Members of the United Nations General Assembly stand in silence at the April 2 opening of a special session on raw materials and development.



group" in Paris to study trade and payments problems. The group was unable to agree on solutions but advised further study—hence the Tokyo Round.

But the question arises: have not recent events overtaken the original purpose of the projected negotiations? William D. Eberle, US Special Representative for Trade Negotiations, has one answer: "In the light of the energy crisis, some governments have re-examined whether trade negotiations should be pressed forward. Most of them have concluded there is all the more urgency now."

His chief consultant, William B. Kelly, Jr., said in a recent interview that in the absence of high level trade talks protectionism was sure to increase, especially as countries went deeper into balance of payments deficits due to higher prices of petroleum. Here are a few examples:

- Japan has cut back on petroleum-based fertilizer exports to India.
- Italy has imposed severe restrictions on imports of some key industrial and agricultural products.
- Some Latin American countries have added a dollar tax to each bunch of bananas they export to pay increased oil costs.
- Since the UN Special Session, Jamaica has notified the world that the price of its bauxite exports, used in the manufacture of aluminum, will rise 500 per cent.
- Jamaica and other bauxite exporters have recently established the International Bauxite Association for market control.
- Copper producing countries, Chile, Peru, Zaire, and Zambia, have begun moving in the same direction and for the same purpose.

WARS OVER MARKETS

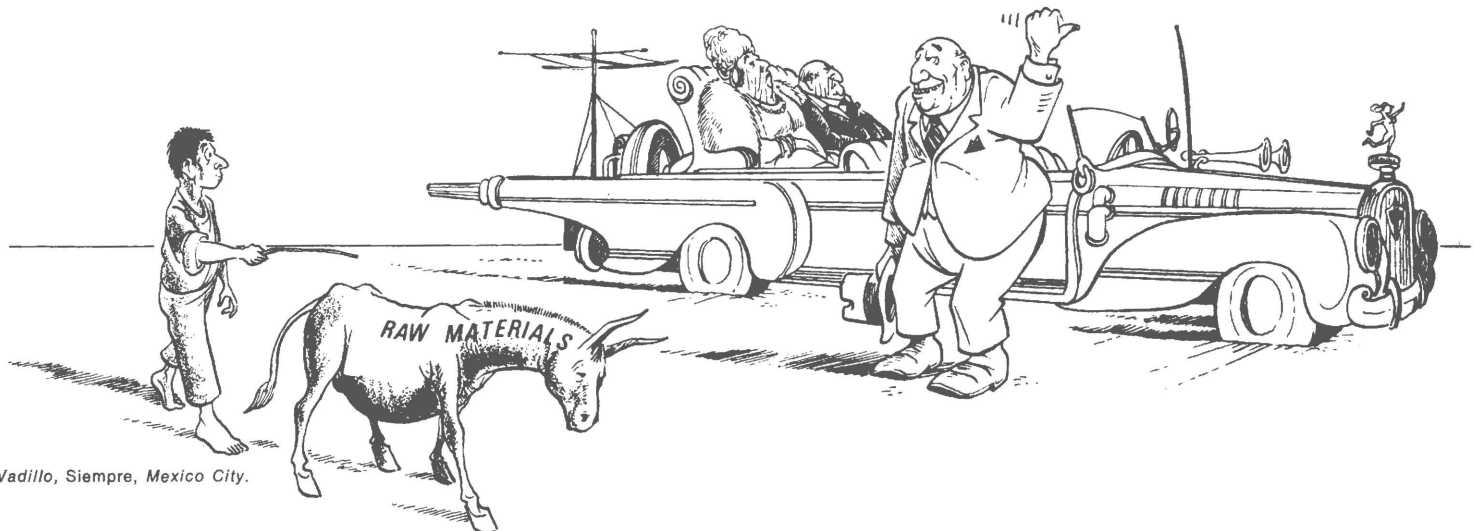
Against this domino trend come words of caution from leaders

in consumer countries. The issue was drawn by US Secretary of State Henry A. Kissinger when he called attention at the UN Special Session to the right which trading nations have of access to supplies as well as of access to markets in general. In the same speech he proposed international cooperative plans on a larger scale than ever before to assist developing countries in meeting problems of hunger and unemployment. Kissinger warned that "large price increases coupled with production restrictions involve potential disaster of global inflation followed by global recession from which no nation could escape."

EC Council President Scheel, while declaring that the European Community would back new programs for development in the "Third World" (including construction of industries to process raw materials at the point of origin), nevertheless warned that commodity prices should not be a potential cause of a "set-back in economic activity."

In other times, wars were fought over redistribution of markets and over access to raw materials. Today, although such wars may seem out of the question, the results may be the same, as was clearly told at the UN Special Session. Despite divisions of interest, it gradually dawned on various groups attending the session that there was a fourth set of countries who had neither raw materials nor manufactures to offer to export markets, and without reserves to last through the coming summer. These poorest nations' bankrupt economies, in the words of economist Barbara Ward, could start a "downward spiral of collapsing markets which in 1929 finally engulfed the whole of the world economy."

That realization has set in motion a new emergency assistance program for the very poor that could itself restore the Bretton Woods concept—multilateral relations.



New Leaders, A New Europe?

Present Events Parallel Postwar Years

EMANUELE GAZZO, editor of the Brussels daily newsletter *Agence Europe*

In the events which have overtaken Europe and the world within a relatively short period of time, three facts stand out. First and most striking, the mutations—in situations, priorities, and men alike—have been quick. This coincidence of change is not fortuitous. Second and patently, most powers and democracies are experiencing a “crisis.” There is an inability to deal with sudden problems and a consciousness of this inability. Third and despite big differences in situations, some analogies exist with what happened in Europe at the end of World War II.

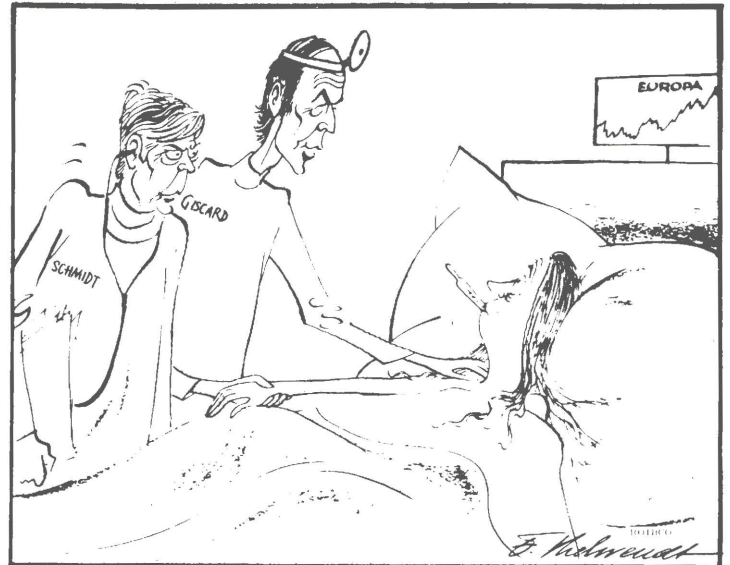
Before World War II Europe had always been a great laboratory for ideas and products. Everything coming from the world, as it was then known, was transformed in Europe to satisfy the most diversified world needs. As the rest of the world became dependent upon Europe, so Europeans—thanks to the magnitude of what economists call “value added”—could benefit from a physical and intellectual level of life incomparably higher. But, a half century ago, French writer Paul Valéry noted that “increasing energy needs” and “increasing technical equalization of peoples” presaged Europe’s decadence.

At the end of World War II, European nations saw their fragile opulence turn to poverty. The march toward a united Europe began—out of the convergence, not all due to chance, between the political consciousness of the need for “post-European Europe” and the awareness of the urgency to solve very difficult economic, social, and technical problems. This convergence was materialized in the creation of the first supra-national authority, the European Coal and Steel Community (ECSC) in 1952.

REPEATING HISTORY?

But what has happened since then? Let us remember some essential facts:

- Thanks to united and concerted action, Europe was able to carry out decolonization and its own rebuilding in face of heavy handicaps in an altered world. Some, who had not believed in a united Europe, finally joined those already united for action.
- Europe’s handicap, nevertheless, remains. Rome, the metaphorical center of the world, is no longer Rome. Europe’s technological lag, coupled with an external security threat, has reconfirmed Europe’s renunciation of its former world rank both from necessity and from selfish motives. This, together with unprecedented prosperity, has loosened unification efforts.
- Most recently Europe, already vulnerable by its carelessness and accustomed to living on words rather than action, found itself in the midst of world events of crisis proportions. This crisis, although caused mostly by external events not of Europe’s own making, was partly due to Europe’s inability or unwillingness to meet its global responsibilities. Today, the



“New hope for the patient.” Behrendt, *Het Parool*, Amsterdam.

sudden awareness has thus hit Europe that, just to maintain its present position, it must work more and consume less. Only in this way can deteriorating terms of trade be offset (see *European Community* No. 177, page 12).

History does not repeat itself, and one must avoid oversimple and misleading parallels. But some coincidences are striking. After World War II in the face of similar problems, new leaders appeared in Europe who immediately understood what the real problems were and the necessity of united action.

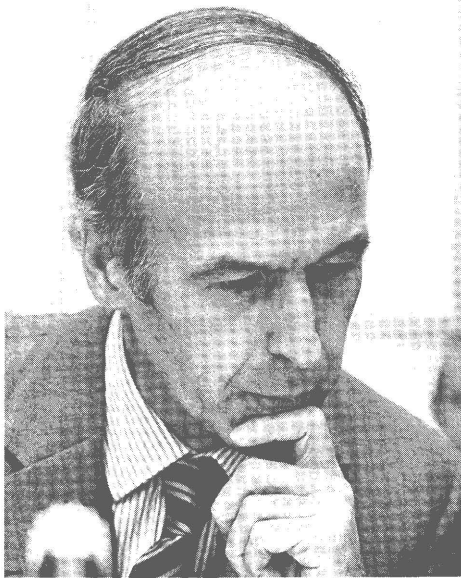
Today in the face of analogous problems—inflation, social injustice, and insecurity—new leaders have appeared. Although they do not lack faith and ideals, these new leaders, as their predecessors 30 years ago, speak to concrete problems and for concrete solutions. Also like their predecessors, they lack dogmatism. They can even “dream,” as the late “European” Paul-Henri Spaak once said. But at the same time, they know that the problems to be faced can only be solved through a united Europe, through a Europe provided with authority and power.

An interesting and fortunate coincidence lies in the “simultaneous” emergence of this new leadership. Fortunate, because today, as at the time of the Paris and Rome Treaties, Europe needs a converging of wills. Such convergence does not happen frequently in history.

Where and who are these new leaders? Some are unknown. Some are just arriving on the scene and are not unknown.

SCHMIDT AND GISCARD D'ESTAING

There are, for example, Walter Scheel, the new German President, and Helmut Schmidt, the new German Chancellor. Now



*French President
Valéry Giscard d'Estaing.*

pulled to the highest responsibilities, they were hardly 25 years old when World War II ended—old enough to understand but too young to assume a heritage. They both have been members of the ECSC Common Assembly and of the European Parliament.

Schmidt is often accused of being an outspoken man. Through well chosen quotations, one could charge him with



*German Chancellor
Helmut Schmidt.*

“nationalism” or “Atlanticism” (contradictory terms). But one must agree with his outspoken assertion that supranational cooperation is the only way for the Community and especially for Germany to make “real and important” sacrifices. Europe is not having an easy time these days, and everybody must understand that. Schmidt, for whom the fight against inflation is a high priority, also declares that the Community is the irreplaceable base for European political union, and this union must take place with American partnership. These are the words of a “realist,” who sees the means to achieving the principles from which the idea of Europe is born.

And now to Valéry Giscard d'Estaing, France's new leader. At this writing, any conclusions would be premature. But it is possible to underline some well known facts. Considering his experience and his constitution, it is clear that Giscard d'Estaing will, first of all, grapple with the real problems threatening and worrying Europeans. He said it himself: “To achieve economic and monetary union at a time of international monetary system disorders and the oil crisis, technical difficulties will only be overcome by political will.”

With the goal of political union by 1980, Giscard d'Estaing has committed himself to presenting and meeting precise deadlines. But he will not be dogmatic: “It is not for one man or one country to dictate to Europe the shape that it must take, because this union must be the work of everyone.” He has agreed to the necessity of increasing the European Parliament's powers and to set up its election under universal suffrage. Although he has always had a very high idea of France's independence, he has acknowledged that it can come only through European independence. Moreover, he has always said that the world is characterized by interdependence.

LANGUAGE OF ACTION

Too often, Europeans have been disappointed. Then, each time, they have realized that no solution, except decay, could be found outside European unity. History is not written in advance. There are times when certain things are more feasible than in other times. One must not let chances go by.

New leaders have arrived in Europe. They are conscious of new and real problems to solve and are at last released from the dogmas which paralyzed action and emptied authority in the past. It is thus possible that today—despite or perhaps because of Europe's present crisis state—the conditions exist to restart the move to unity, after so many deviations and erring ways.

But a clear initiative must be taken, tied to today's realities, as was the case in 1950. And, as in 1950, it will be necessary to go ahead, with all those who will join in, without being overly worried about those who either mark time or hesitate. The strength of example, the weighty language of action, will lead to success.

New Leaders, A New Atlantic Alliance?

Today's Europe Differs From Postwar Europe

JAN G. REIFENBERG, *Washington correspondent for the Frankfurter Allgemeine Zeitung*

The age of great personalities and charismatic leaders in Europe is over. Now, the technicians and pragmatists are at work.

Idealism and noble dreams have given way to realities, the facts of life, in a continent which remains divided between two distinct ideologies: Western-style democracy and Soviet-style Communism. The Cold War has been succeeded by a truce dictated by the nuclear powers. *Détente*, a necessity imposed by reason, cannot, however, replace existing alliances and eliminate the basis of common security through which Western Europe's come-back after World War II became possible. Whatever the transatlantic quarrels of the last decade meant, Western Europe cannot prosper without the strong link to the United States, the lifeline of security, the bond which unites people of a common heritage. Unless the countries of the European Community unite politically and create a common viable defense system, they will remain power-dwarfs compared to the nuclear giants in spite of the Community's enormous industrial potential. No such development is presently in sight.

The Community is beset by problems of inflation, by the consequences of a reassertion of national identities, by its dependence upon fuel from the Mideast and raw materials from the developing countries. Monetary union, the indispensable correlate and basis for political union, remains a distant hope. "The United States of Europe"—which the EC "fathers," Robert Schuman, Jean Monnet, Paul-Henri Spaak, Konrad Adenauer, and Alcide de Gasperi imagined almost a quarter of a century ago as a return to Carolingian Europe—has not come about. It would have required a common government, a common parliament, a common will.

It was no surprise that General Charles de Gaulle's France, the naturally centralized and nationalistic factor in Western Europe, successfully challenged the concept of unity and supranational endeavors. For 15 years, the same country which produced a Schuman and a Monnet saw to it that the day-to-day grind of practical problems—with a constant view upon the safeguarding of French agriculture within the Community—took the place of dreams and hopes. Instead of a constantly growing institution for achieving the ultimate goal of the Rome and Paris Treaties, the Community's work in Brussels was mainly marked by what de Gaulle once dismissed as "the cauliflower wars." It was also no surprise that the Federal Republic of Germany, mindful of the sinister heritage of German nationalism's effects under Hitler's Third Reich, became one of the prime champions of European unity and cooperation. And it is not surprising that the attitude of the United States toward the Community—the creation of which it fully welcomed within the framework of Western defense—changed from unquestionable support to clear economic competition.

In recent months the leaderships of Britain, France, Portugal,

and Germany have changed. Italy, in the grips of inflation and political turmoil, had to impose customs barriers within the Community, Denmark reduced its imports, the British Labor Government demands renegotiation of its hard-earned terms of entry, and France floated its currency. Some of these steps are technically breaches of the Common Market Treaty.

AN ERA ENDS

Yet, all of this has not jolted Western Europe into chaos but merely underscored the transitional period in which we all live. It is also proof of a large undercurrent of social and economic awareness, a trend which began during the Sixties as the "classic" cold war abated and the effects of an affluent society were challenged. It is a consequence of the sense of realism which asserted itself after the confrontation between the United States and the Soviet Union during the Cuban missile crisis of October 1962—the limits of power had been shown and proven. It is also a consequence of the conscientious reducing of America's over-extension of power, symbolized by its withdrawal from the war in Vietnam.

"An era ended when German Chancellor Willy Brandt resigned." Brandt (left) and "Father of Europe" Jean Monnet.



An era ended when German Chancellor Willy Brandt resigned in the wake of a sordid spy scandal, which seemed to put a dismal finish to a courageous, far-sighted, and noble career. The Europe of today would not be possible if the Federal Republic, under Brandt and his Foreign Minister Walter Scheel, had not drawn the lessons from World War II and recognized that Bonn had a responsibility, indeed an obligation, to come to terms with its Eastern neighbors, upon whom the most terrible wounds of the last European war were inflicted. Until a *modus vivendi* was reached with East Germany, until the Berlin problem was defused and the livelihood of the Western part of the city guaranteed, until the relations with the Soviet Union, Poland, Czechoslovakia, and the other East European countries were normalized, the "German problem" remained the biggest danger to Europe. When the wall between the two parts of Berlin went up in August 1961, and the United States—out of its sense of nuclear responsibility did not move (as it had not moved during the East German revolt of 1953 and the Hungarian rebellion of 1956)—West Berlin Mayor Brandt recognized the necessity for change from the cold war.

German Chancellor Konrad Adenauer's monument in time will be Germany's rehabilitation, its membership in the Western alliances, and its reconciliation with France, the futile dream of Gustav Stresemann and Aristide Briand of the late Twenties finally come true. Willy Brandt's monument will be the act of courage that it took to begin to overcome the wall of mistrust separating East and West and to recognize the facts, painful as they are for a divided people. Kneeling in front of the monument to the victims and martyrs of Warsaw's razed ghetto took at least as much courage as praying—which Adenauer did—next to de Gaulle in the cathedral of Rheims, yards away from the red schoolhouse where Hitler's armies surrendered. The fact that détente progresses slowly, that the resigned Chancellor was largely deceived by East Germany's hard attitude and finally driven out of office by the presence of one of its agents in his official family will not change the significance of Brandt's *Ostpolitik* for Europe.

EYE-TO-EYE

But very real and pressing domestic and economic problems also contributed to Brandt's resignation. Inflation, although presently at 7 per cent one of the lowest in the West, remains to most Germans a horror because of the experiences of their fathers in the Twenties. Too, the Chancellor was apparently unable to come to grips with the extreme leftist elements in his Social Democratic Party. And international problems spilled over into the domestic arena: While in the Forties and Fifties, the danger of Soviet intrusion fostered Western unity, by late 1973, the Mideast war brutally revealed Germany's and Western Europe's dependence upon Arab oil and a potential western split.

For the future of Western Europe, the Community, and trans-

atlantic relations, it is highly significant that the two new leaders of France and Germany, President Valéry Giscard d'Estaing and Chancellor Helmut Schmidt, not only know and esteem each other personally but see eye-to-eye on most pressing problems. Both are pragmatists. Both have a good knowledge of what de Gaulle, often disdainfully, called "the Anglo-Saxons." Both prefer acts to symbols, practical results to dreams. Both have seen and lived through war as young people. Neither is burdened by the past nor feels bound to prove his country's progress by constantly referring to past glories or tragedies. Both understand well what the computer age, the all-pervasiveness of the energy problem, the transnational economic and monetary realities, mean. Both realize that the youth of their countries are fed up with symbolism and want results. Both preside over cabinets whose members are representative of the postwar generation.

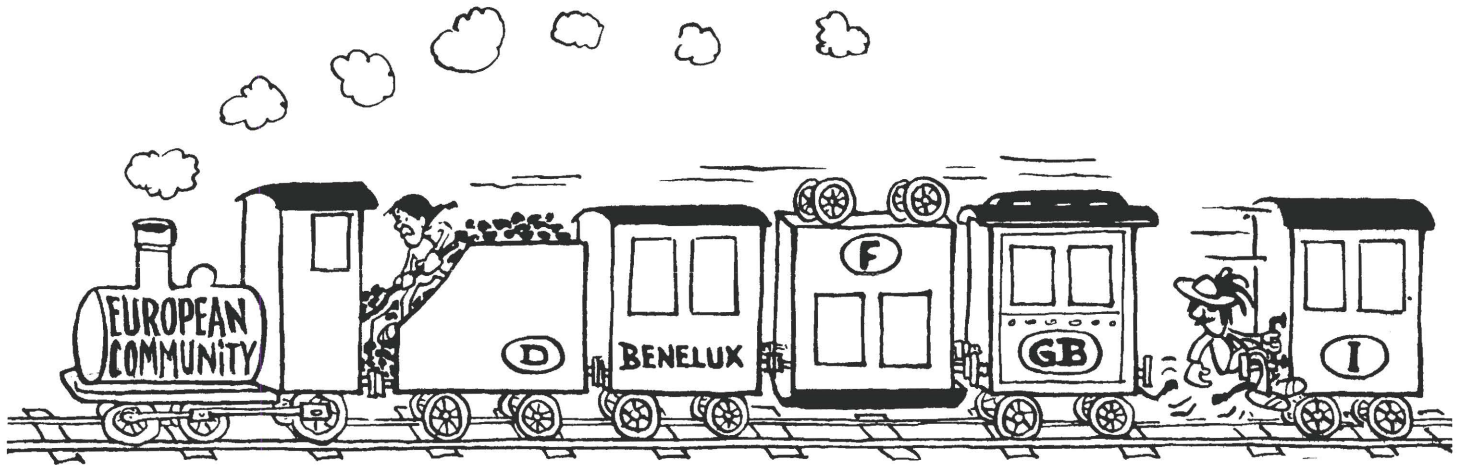
Giscard d'Estaing and Schmidt are thus a distinct hope for the future of the Community. French and German policy coordination will decisively influence the Community's course, especially since Britain has a long way to overcome its present economic problems. The late French President Georges Pompidou never shed an inborn distrust of Germany. His rapprochement with former British Prime Minister Edward Heath and the lifting of France's veto against UK entrance into the Community was one of its consequences. But, as in de Gaulle's days, it proved impossible to make France the factual political leader in Western Europe and Germany mainly its "economic locomotive." The realities are different and were proven by *Ostpolitik*.

Giscard d'Estaing and Schmidt have a broader outlook. They are less afraid of losing national identities through closer economic, monetary, and finally, political cooperation. Born in this century, tempered by war, grown up in the postwar world, both have always seen Winston Churchill's 1946 prophetic demand for European political union and Franco-German reconciliation as a challenge for practical work.

"GAULLIST" US POLICY

European cooperation has increasingly come to be a successor of small, but practical, steps. If these steps grow into a European identity, the relationship between the "old Continent" and the United States is bound to change.

It has been said that American foreign policy became "Gaulist" under President Richard M. Nixon and Secretary of State Henry A. Kissinger. Undeniably, since 1969, Washington has stressed bilateral relations. The dialogue with the Soviet Union and the People's Republic of China created new forms of superpower relationships, which by their very existence also influence Atlantic policy. Any real and controlled nuclear truce between Washington and Moscow cannot but codetermine the shape and future of Europe. At the same time, Congressional pressure for one-sided reductions of American troops in Western Europe does not abate. It reflects a deep-seated conviction that the



Bac, Frankenpost, Hof, Germany.

United States has done more than its share to protect the old Continent, that it is up to the prosperous Europeans to bear the lion's share of their defense. Operating on this premise, the Nixon Administration recently obtained the new offset agreement with Bonn and the new formula for reducing European import duties on certain American products. These developments are bound to improve the Atlantic relationship by contributing to a realistic re-assessment of the common commitment.

The transatlantic dialogue had grown increasingly sour during 1973, when Kissinger's "Year of Europe" developed into what seemed to be an endless exchange of acrimonies, misunderstandings, and finally into the juxtaposition of the United States and eight EC member countries on the one side with France on the other at the Washington Energy Conference. At times, it seemed that Washington was on much easier terms with its main adversaries than with its Western allies. Many a European

had the impression that Kissinger's professions of Atlantic cooperation masked an innate ("Gaullist") desire to have a politically weak Europe unable to influence superpower decisions. Did the avowed admirer of Metternich and of a classic balance of power, the man for whom legitimistic European governments of the Nineteenth Century seemed to be a model of an orderly and manageable world, really want a strong Europe as a partner? Did he not tend to present his partners with accomplished facts instead of consultation? Why were the Europeans told that they were "ganging up" against the United States, in trade and in the Mideast?

The answers are not simple. Even less so, because Kissinger single-handedly attacks one problem at a time, as the admirable beginning of a solution of the Mideast conflict shows. The Secretary of State has often said that the simple basis for American détente policy remains a nuclear power's obligation to do every-

"We're very content." Behrendt, Het Parool, Amsterdam.



"This man (James) Callaghan (British Secretary of State for Foreign and Commonwealth Affairs) . . . who does he think he is?" Waite, The Daily Mirror, London.



German President Walter Scheel (left), then Foreign Minister, meeting with US President Richard M. Nixon and US Secretary of State Henry A. Kissinger last year in Washington.

thing possible to avoid “the holocaust.” Thus arms control will and must be an overriding concern, which naturally touches upon Western Europe’s security interests. The question is whether any US Administration could forego a solid deal in the Strategic Arms Limitations Talks (SALT) linked to other concessions, like troop reductions. Any lowering of the NATO safeguards would have serious consequences within the Atlantic Alliance. There is as of now no substitute for the credibility of the nuclear shield which the United States holds over Europe. There is also no substitute for the importance which the European “glacis” has for the defense of the United States. As strong as the lure of a superpower deal behind the backs of the Europeans might be, they have had the firm assurances of five US Presidents that this will not be done.

Whatever the short-term advantages of highly publicized “Summit” meetings might be, there remains one crucial fact: America has invested so much in Western Europe, EC countries are such important trade partners, and the common heritage is so strong, that the United States could not withdraw from the old Continent without retreating into an isolationism, which, in a world of ever shrinking distances and raw materials, would be detrimental to American national interests. Therefore, a nuclear truce should not mean the end of the Atlantic Alliance but its development under new conditions.

BEST BRAINS

As in the continued construction of Europe, the Atlantic relationship of the future will be determined by pragmatic steps, especially in the trade and monetary fields. The relationship between the dollar and the European currencies, the extent of mutual investment, the embedding of these steps into continually liberalized world trade, a common search for mastering the energy problem, the relationship to a “Third World” increasingly aware of its power through raw materials, common approaches to the staggering problem of over-population—these should be main future topics. They require the best available brains on both sides of the Atlantic.

History teaches us that alliances tend to slacken and dissolve if their purpose no longer exists. The military threat which created the Atlantic Alliance 25 years ago has abated. To the new generation, on whom the new leaders in the West will have to build their future plans, the mere idea of a war in Europe seems absurd. To them, the fathers of the Atlantic Alliance and the European Communities are distant figures. The new generation can hardly visualize Europe’s dismal state at the end of World War II. It takes its freedom for granted. Its sense of security and welfare does not make for idealism.

NO ROMANTICISM

While today’s Europeans move about without any restrictions, their sense of nationhood is increasing. The supranationalists of Robert Schuman’s heritage might deplore this, but the very diversity of the European countries, their distinct characters, makes the old Continent unique. Without following de Gaulle’s type of nationalism, it is quite possible to have close cooperation between all European countries while preserving their national character. Indeed, the world would be poorer if it disappeared. The unique experience of the United States cannot be repeated on the Continent. Europe extends into the Mediterranean world, whence its earliest origins came, and it also looks eastward.

The new leaders can continue to build upon the foundations of earlier European visionaries. But, for this new generation results alone will count. They are subject to the laws of our technological age. There will be neither romanticism nor grandiose plans, but the hard work of specialists.

There must be an ever increasing level of consultation on both sides of the Atlantic. If not, the Atlantic Alliance has largely lost its purpose. There cannot be a “dialogue of the deaf” between the two most important parts of the Western world. If the gap between the world’s two ideologies are to be narrowed, if bridges of understanding are to be built between the East and West, there must remain a common Western interest. Democracy must be preserved along with the increasing trend to overcome social injustice in the West. The coming of age of a generation which takes nothing for granted until proved its worth is a good omen.

The grave technical problems within the Community must be solved, but they are surmountable. They fade in view of the necessity which should unite the Western world—a genuine structure of peace. There is no alternative to it. And it can be achieved through the combination of Europe’s distinct characteristics and America’s forward-looking ingenuity.

The common tasks and common goals can be as strong and effective as when the Atlantic Alliance began out of common fear, as when the European idea was first presented as the single hope to spare the old Continent the tragedies of its former civil wars.

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.

Encyclopedia of Banking and Finance.

Edited by Glenn G. Munn, seventh edition revised and enlarged by F. L. Garcia. Bankers Publishing Company, Boston, 1973. 953 pages with charts and tables. \$49.75.

An alphabetical listing, including extensive cross-referencing, of terms applicable to banking and finance, from "ABA Transit Number" to "Zoning Laws."

A "standard" in its field, the encyclopedia, in its seventh edition, is designed to "serve the banking, financial, and allied vocations by explanations of somewhat greater length than has heretofore been attempted of the subjects that are comprehended within the limits of this department of economic life." It is written for banks and trust companies, investment and stock exchange houses, insurance companies, financiers, brokers, investors, speculators, lawyers, and students of banking. The seventh edition introduces new terms which take into account the national and international changes that have occurred in the banking and financial systems since publication of the previous edition in 1962. Many entries include bibliographies for guidance in further study.

Europe 1980: L'Avenir des Relations Intra-Européennes; The Future of Intra-European Relations. Reports from the European Institute of International Relations. A. W. Sijthoff, Leiden, and Institut Universitaire de Hautes Etudes In-

ternationales, Genève, 1972. 301 pages with list of participants.

A series of reports, some in French and some in English, presented at the Conference of Directors and Representatives of the European Institute of International Relations held in Varna, Bulgaria, in October 1972.

The authors, from Eastern and Western Europe, analyze current political, military, and economic problems and technological, cultural, scientific, social, and other areas of cooperation. The same topics are then discussed in a mid-term forecast of trends and relations in Europe. Each paper gives a view of Europe's structure in the late Seventies.

The External Economic Policy of the Enlarged Community; La Politique Economique Exterleure de la CE Elargie. By H. Brugmans, D. Bryan, E. Cannage, D. Hammer, H. B. Krohn, J. Loeff, S. Pizar, N. Salter, and E. Tierno-Galvan. The College of Europe, De Tempel, Bruges, Belgium, 1973. 250 pages with annex and list of participants.

A series of papers, some in English and some in French, presented at a March 1972 symposium on the enlarged Community's external economic policy, organized by the College of Europe.

The papers cover relations with the United States, Japan, European socialist countries, developing countries, and Commonwealth countries. An introduction is by Henri Brugmans, rector of the College of Europe.

Politics in Europe: Structures and Processes in Some Postindustrial Democracies. Edited by Martin O. Heisler. David McKay Company, Inc., New York, 1974. 415 pages with tables, figures, and index.

A collection of 11 studies on European politics.

The book's first part, written by

the editor, offers a model for conceptual and theoretical foundations for the study of European politics. The book's second part, "European Polity-Like Systems," has case studies of Norway, Austria, and Belgium and concludes with a study of the European Community's political system. The third and final section of the book examines the structures and processes of policy making in Europe. An afterward examines the future of European studies.

How to Market Overseas Successfully: A Basic Guide to Profitable International Business. By F. R. Lineaweaver, Jr. The Dartnell Corporation, Chicago, 1973. 269 pages with charts and workbook.

A handbook on international business, intended as a practical guide for executives of American firms wishing to gain overseas markets.

The author, himself an international businessman, proposes that international trade is essential to the well-being of American business. In streamlined tabulated notebook form, the book has two parts: "Fundamental Elements of International Business" and "Step-by-Step Development of International Business." The book includes a workbook for the reader to assess his company's banking, credit, finance, marketing, research, and sales.

Environmental Policy: Concepts and International Implications. Edited by Albert E. Utton and Daniel H. Henning. Praeger Publishers, New York, Washington, and London, 1973. 266 pages. \$15.00

A collection of papers, both practical and theoretical, forming a framework for domestic and international environmental policy and controls.

The book includes such topics as: global pollution; liability in deep-sea mining; conservation of migratory animals; international

agreements on, and an approach to, environmental law; national sovereignty; and public participation and the political process.

Aid Performance and Development Policies of Western Countries: Studies in US, UK, EEC, and Dutch Programs. Edited by Bruce Dinwiddy. Praeger Publishers, New York, Washington, London, in Association with the Overseas Development Institute, 1973. 139 pages with tables, appendices, glossary, and index. \$11.00

A review and evaluation of current aid programs to developing countries and a discussion of development assistance's future.

The book's first part describes present Western aid policies, with the focus narrowing on British aid in particular. The impact of UK projects already underway in developing areas and the role of British aid policy with respect to overall British foreign policy are discussed. The book's second part discusses aid effectiveness, centering on the Dutch and US programs. Also discussed are developing countries' relations with the enlarged European Community, in particular the Commonwealth "Associables," and the EC generalized preference system. The book speculates on prospects for aid in face of continued population growth.

France: The Events of May-June 1968, a Critical Bibliography. By Laurence Wylie, Franklin D. Chu, and Mary Terrall. Council for European Studies, Harvard University, Cambridge, Massachusetts, 1973. 118 pages with index.

An annotated bibliography of French and English material on the French student strike of 1968.

The bibliography lists books, periodicals, and miscellany dealing with the events in France in May-June 1968. A brief critical analysis follows each entry. The majority of works first appeared in France.

Publications Available

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

MEDIUM-TERM PROSPECTS AND GUIDELINES IN THE COMMUNITY GAS SECTOR. Commission of the European Communities, Brussels, 1972, 91 pages .. \$2.00 Printed version of a study previously available in a limited mimeographed form. Discusses the supply, consumption, production, transport, storage, distribution, capital investment, aids, taxes, and prices of natural gas in the original members of the Community. Contains forecasts for 1980 and 1985.

THE ENERGY CRISIS AND THE EUROPEAN COMMUNITY. Background Note No. 5, 1974, European Community Information Service, Washington, DC, March 26, 1974, 17 pagesfree

CHINA AND THE EUROPEAN COMMUNITY. Background Note No. 10, 1974, European Community Information Service, Washington, DC, May 22, 1974, 7 pagesfree

TECHNICAL MEASURES OF DUST PREVENTION AND SUPPRESSION IN MINES. EUR 4851, Commission of the European Communities, Luxembourg, 1972, 143 pages\$2.00 Synthesis report on research carried out from 1964-1970.

PROSPECTS OF PRIMARY ENERGY DEMAND IN THE COMMUNITY (1975-1980-1985). Commission of the European Communities, Brussels, 1972, 121 pages \$2.00 Printed version of a study previously available in a limited mimeographed form. Although written before the energy crisis of the 1973-1974 winter, this study contains data on the energy supply of the Community from 1960-70 and forecasts the energy demand by the principal industrial sectors for 1975, 1980, and 1985.

YEARBOOK OF AGRICULTURAL STATISTICS: 1973. Statistical Office of the European Communities, Luxembourg, 1973, 199 pages\$2.50 Basic agricultural data for the Community and its member states. Covers structure, accounts, production, and prices. Most agricultural commodities are included.

PROSPECTS FOR MONETARY INTEGRATION IN THE EC. Background Note No. 8, 1974, European Community Information Service, Washington, DC, May 20, 1974, 14 pagesfree Address by EC Commission Vice President Wilhelm Haferkamp before the German Bankers' Convention on March 12, 1974 in Bonn, Germany.

RELATIONS BETWEEN THE EUROPEAN COMMUNITY AND MALTA. Background Note No. 6, 1974. European Community Information Service, Washington, DC, April 22, 1974, 5 pages ..free

FOREIGN TRADE: ANALYTICAL TABLES (NIMEXE) January-December 1972, Countries & Products. Statistical Office of the European Communities, Luxembourg, 1973, 388 pages\$6.00 Provides a country and geographic area breakdown of annual trade according to the principal chapters of the Community's tariff schedule. It offers a quick overview of the total trade of a country or area within the Community in about 100 product divisions.

Commission Papers

(one per reader)

MULTINATIONAL UNDERTAKINGS AND THE COMMUNITY. Supplement No. 15/73, Bulletin of the European Communities, Brussels, November 1973, 32 pagesfree Presented to the Council on November 8, 1973.

IMPROVEMENT OF THE COMMON AGRICULTURAL POLICY. Supplement No. 17/73, Bulletin of the European Communities, Brussels, November 1973, 23 pagesfree Communicated to the Council on November 5, 1973.

SCIENTIFIC AND TECHNOLOGICAL POLICY PROGRAM. Supplement No. 14/73, Bulletin of the European Communities, Brussels, August 1973, 47 pagesfree Submitted to the Council on August 1, 1973.

COMMON TRANSPORT POLICY: OBJECTIVES AND PROGRAM. Supplement No. 15/73, Bulletin of the European Communities, Brussels, October 1973, 24 pagesfree Submitted to the Council on October 25, 1973.

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