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Cover: "World hunger is hardly a modern phenomenon. But it is hunger's present-day dimensions that have aroused the hard questions of how it occurred and how to conquer it (see page 3)." Lithograph by Käthe Kollwitz (1867-1945).

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

Fighting World Hunger

Community Joins in World Food Conference

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

Representatives of 130 countries, rich and poor and more poor, some with market economies and others planned centrally, were to meet in Rome November 5-16 to discuss what could be the century's most critical concern—world hunger. Among those expected to gather around the conference table at the United Nations (UN) Food and Agricultural Organization (FAO) headquarters were the nine EC member states plus, in observer status, the EC Commission.

The World Food Conference was called for by the UN General Assembly in December 1973. Planning and logistics were assigned to the Geneva-based UN Economic and Social Council. Staff employees of the United Nations and of its specialized agencies, including FAO, were assigned to develop what became a large-scale pile of background documentation. Although ponderous and repetitive in parts and largely impersonal on a subject that is anything but, the literature nevertheless is packed with new and meaningful data.

The assessment paper on hunger and food shortages in developing countries is a stark document. At stake, figuratively looking over the shoulders of conference delegations, are 460 million people, 40 per cent of them children, in varying stages of malnutrition. These are the millions whose daily intake of protein is well below the "minimum allowance" of 60 grams set by food scientists of the US Department of Agriculture. This is the world of nutritional deficiencies that account for crippling rickets, anemia, endemic goiter, cretinism, and parasitical diseases found in vast areas of Asia, Africa, and South America. In the Far East, 100,000 children go blind each year due to a lack of vitamin A in their diet.

A common sight at refugee centers in drought-stricken Mali—child victimized by marasmus (progressive emaciation).

HARD QUESTIONS OF HOW

World hunger is hardly a modern phenomenon. But it is hunger's present-day dimensions that have aroused the hard questions of how it occurred and how to conquer it. In 1970 world stocks were ample and food aid flows from developed countries, mainly United States, Canada, and Western Europe, reached $1.5 billion. In 1972 the situation changed, when food production declined for the first time in 20 years. That year the all-important production of cerals (wheat, coarse grains, and rice) fell by 33 million tons, at a time when merely keeping up with world demand called for an increase of 25 million tons.

The story of food production shortfalls, especially cereals, reads like an old-fashioned melodrama. In 1972 adverse weather conditions, ranging from drought to floods to fickle monsoon rains, struck simultaneously in growing areas in Australia, China, India, the African Sahel, Southeast Asia, and the Soviet Union. And that was the year that the Soviet Union abandoned a traditional policy of austerity in poor-harvest years and went out on the world market to buy grain, mainly 400 million bushels of wheat from the United States.

At the same time, the United States gave up its surplus cereal management system. For years the US Government had bought and stored over-produced supplies in the interests of stabilizing prices and world trade and at the same time, beginning in 1954, had provided large shipments of food aid to developing countries under Public Law 480, over $1 billion worth in 1970 alone. As cereals became scarce, wheat prices began floating upward from $70 a ton in 1972 to a peak of $220 a ton in February 1974. It also meant a sharp cut-back in food aid. Developing countries, those who could, had to buy their imports at world market prices.

Meanwhile, demand in high-income nations for cereal-fattened livestock increased rapidly. In the United States and Canada cereal consumption today is 800 kilograms per person, only 90 kilograms of which is eaten directly, the rest going to livestock feeder lots. In Japan between 1969 and 1972, meat consumption rose by 60 per cent.

In the developing countries food production had been on the increase during the 20 postwar years. In 23 countries the annual rate of growth had met and in some cases surpassed the UN "Development Decade Two" target of 4 per cent. In fact, food production generally had increased at the same rate as in developed countries—only the rate of consumption was different. Simply put, in developing countries, there were more people to feed. Whereas the rate of increased demand in developed nations was an annual 2.5 per cent, in poor countries it was 3.5 per cent due to the rapid acceleration of birth rates. In developing countries the geometric progression of births reached an annual 70 million.

Population increases were not on the agenda for discussion at the Rome conference. In any case, largely the same countries debated the subject last summer in Bucharest pretty much to a draw. Developed countries wanted poor nations to reduce their family sizes; and the latter claimed that quality of life produced by more rapid economic and social development is the more cogent force in population control.

In major part, the development and application of the "Green Revolution's" high-yield seeds accounted for developing countries' increased rates of food production in the Sixties and into the present decade. However, the introduction of new technologies depended upon ample irrigation, either through rainfall or ground water supplies, and especially on availability of large quantities of fertilizer. Whatever the reduction of petroleum production and quadrupling of prices for crude oil may have done to the world economy, the scarcity of nitrogen-based fertilizer imports for developing countries is just as real. FAO has estimated that in 1973-74 fertilizer supplies declined by 1.5 million tons below needs. That cut-back reduced cereal production by 12 million tons in a single year.

MAIN THEME, SAYS COMMISSION

In 1972 developing countries imported 16 million tons of food, net. Based on present production and demand trends, the imports in 1985 would, theoretically, be 85 million tons at a cost of about $17 billion—clearly out of the developing countries' reach. The alternative is to engineer a rapid expansion of production in the developing countries themselves—agenda item number nine on the conference program and what, according to the EC Commission, should be a main theme of the conference.

The Commission's communication to the nine member states prior to the conference noted the Community's priority to development aid that increases local crop and stock farming. The Commission says the Community should also draw on its farm technology and applied agronomic experience in helping the developing countries. To reduce seasonal price fluctuation in the "Third World," a concerted storage program should be drawn up.

The UN preparatory conference document on this subject called for increased investment of money, manpower, research and, for the recipient governments, political will. Rural development strategy, while vastly complicated and dependent upon an understanding of the social conditions in which people live,

Rodewalt, The Albertan, *Canada*.

"Oh no, Mr. Waldheim, this isn't bread for the hungry world—it's pills." Bac, Allgemeine Zeitung, *Mainz, Germany*.

demands for success the "involvement of people and particularly the small farmer and landless worker." The document asked governments of both donor and recipient countries to organize these millions of people in rural areas into "viable institutions" through which they can be taught to improve their land, to control and manage water supplies, to apply new seed technologies, and gradually to diversify their cropping practices.

Priority, the document said, should be given to enlarging fertilizer production capacity to meet an increased need of 22 million tons by 1980. The plan called for an increased capacity for fertilizer production in the developing countries and more efficient use of those plants now in operation. However, any expansion may depend on the outcome of the current debate over petroleum prices.

UN Secretariat documents estimated that financing for increased food production programs in developing countries would need augmenting from the current $1.5 billion a year to $5 billion by 1980. Part of this increase could be expected to come in loans from the World Bank Group (International Bank for Reconstruction and Development and its soft-loan affiliate the International Development Association). This is not expected to exceed $2 billion a year, itself an optimistic figure. Other multilateral organizations could be expected to help finance the programs, and a substantial amount might be confidently expected from oil-producing countries.

EMERGENCY EC AID

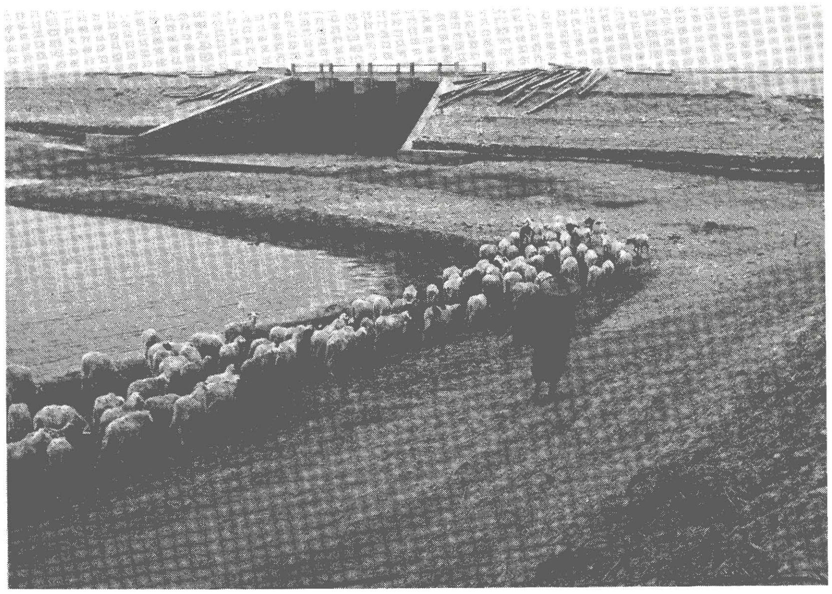
According to Ambassador Edwin M. Martin, former chairman of the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee in Paris and now director of US preparations for the food conference, the US Administration has requested an increase in appropriations for developing countries' food production to go from last year's $285 million to $675 million in fiscal year 1975. For food aid shipments, Martin said the requested commodity-aid cost in the budget for PL 480, at expected prices, could reach $1.8 billion in 1975.

The European Community's future aid figures were not yet formulated, but so far in 1974 the EC Development Fund transfered $270 million in food aid through the UN High Commission on Refugees and the International Red Cross.

Additionally and significantly, the Community decided October 3 to give $150 million in foreign aid to the developing countries hardest hit by the oil crisis. Approximately $30 million will go to the UN special fund for these countries, and the remaining $120 million will be sent, mainly in the form of food aid, directly by the Community. The $150 million is a first installment of a contemplated $500 million in answer to a UN emergency appeal.

Also scheduled on the conference agenda was a proposal for an "international undertaking on food security." Storing of massive amounts of grains and other commodities, while needed to stabilize prices and provide flows of emergency food aid to developing countries, is a costly capital investment, as the US Government has found. International agreement would obviously ease the burden, and conference preparatory sessions gave initial approval to some form of a FAO stockpiling plan. Whether the national storage programs would be a governmental responsibility or left to private interests remains to be decided.

The EC Commission, in its communication to the Council, registered support for the FAO proposal, in particular a cereal



International relief efforts help rationalize Mali's scarce water resources—a dam on Niger River tributary.

stock of 500,000 tons. The Commission also said the introduction of a system of "alert and information" on contingency planning (suggested by Japan) would be worthwhile, together with new methods of assessing the world food situation by specifying problems on a product-by-product and region-by-region basis. Such action, however, the Commission said, should be based on effective coordination by existing bodies and not by a new organization.

But conference organizers have proposed that delegates approve setting up a new institution called the "World Food Authority," with a permanent council and board of executive directors, to carry out follow-up action on decisions made at the conference. This new body would have charge of channeling funds "through existing agencies and assist in financing national stocks and food aid requirements."

A final item for discussion in Rome, one with which hardly anyone would quarrel, would be to find new ways of improving the nutrient quality of food consumed in developing countries. New objectives would be set for feeding programs, consumer education, and food fortification. Agencies such as the UN International Children's Emergency Fund (UNICEF) and voluntary organizations like CARE have already begun using protein-fortified foods in supplies sent to feed millions of children in the Third World.

Some 72 volunteer organizations in the United States, affiliated with similar groups in Western Europe, have mounted a joint program to collect funds for food aid and to inform the public of the importance of the World Food Conference in Rome. So, for 11 days at least, world hunger will be given stage-center treatment.

Inflation Climbs the "Beef Mountain"

Agricultural Crisis Hits European Community

BILL DROZDIAK, *a former American journalist now working in Brussels for the EC Commission*

Spending seemingly more time on the roads than in the fields, European farmers in recent months blocked traffic with their tractors, dumped milk into sewers, and sold fruit and eggs outside supermarkets at prices below production costs. Caught in an income squeeze by rapidly rising costs and falling market prices, the farmers as a group seemed destined to become this year's most serious casualty of inflation, and none were losing more than the cattle breeders.

After the prosperous year of 1972, when meat shortages and high prices brought large profits, beef farmers began to increase the size of their herds to take advantage of a special EC program designed to enlarge Community beef production, a move initiated at French request in December 1972. The European Community had always been a large importer of beef while producing vast surpluses (or "mountains") of grain and dairy products, so switching the emphasis to beef seemed a good way to save on foreign exchange and avoid such political embarrassments as last year's sale of butter below market price to the Soviet Union.

A special intervention plan was introduced for beef, allowing farming authorities to purchase all unsold meat with payments from the common farm fund if market prices fell too far. Thus, farmers were assured of a guaranteed income and confidently began breeding cattle destined for Community slaughterhouses on a massive scale. Some complaints were voiced by third countries which had been consistently supplying beef to the Community in the past; but with demand running strong, the Community felt that Western Europe's growing appetite for beef could accommodate nearly all suppliers.

FUEL AND FERTILIZER HIKES

Last winter, however, as consumers began to feel the pinch of a recession and started buying less expensive meats, overall demand for beef gradually slackened. Intervention agencies were called upon to perform their duty and absorb the unbought beef. By June over 130,000 tons of beef were on ice in Community storage refrigerators. In August all available space had been exhausted. German intervention agencies turned farmers away, while the French and the Irish thought of sending surpluses to Spain and hiring refrigerated ships to keep the excess beef anchored offshore.

Concurrent with the falling off in consumer demand for beef was the astronomical rise in production costs for beef breeders, affecting every phase of the production cycle. Fertilizer costs soared when Morocco, controlling 80 per cent of the world export market in phosphates, decided to follow the example of the petroleum producers and impose major price increases. After hovering around $14 a ton for several years, the phosphate fertilizer price rose to $63 a ton, increasing its share of the average European farmer's budget from 4 per cent to more than 11 per cent.

With fuel costing four times the amount it did two years ago, the operation of farm machinery became increasingly expensive. Livestock feed costs were fluctuating wildly and generally were expected to increase because droughts, and then an early frost, in the American Midwest sharply curtailed grain production (see *European Community* No. 180, page 16).

By September, farmers began to fear that the market situation for beef was hopeless. Believing that the high production costs would continue to nullify any chance for profit, farmers started slaughtering their cattle en masse and selling off their calves. At some British auctions for calves, the going price was 50 pence ($1.15) a head; in the sellers market two years ago, a calf cost 50 pounds ($57.50).

DIPLOMATIC HEADACHES

With excess beef bulging from every storage refrigerator door and the once-popular beef policy now in shambles, the Community during the summer imposed an import ban on beef until November 1, and possibly beyond. For years one of the world's largest meat importers, taking in over 1 million tons of beef from third countries in 1973, the Community suffered diplomatic headaches over its sudden reversal of policy.

After being encouraged by the Community to produce more beef for export last year when its EC trade agreement was renewed for another five years, Yugoslavia became one of the first to lodge a protest by claiming that its farmers were being asked to shoulder a major part of the EC burden of farm troubles. Beef comprises one-third of Yugoslav exports to the Community and, with tourist revenue falling substantially, provides an important source of foreign exchange. Some Yugoslav officials did not miss the opportunity to remind the Community that such unpopular policies could force them to turn to the East Bloc's Council for Mutual Economic Assistance (COMECON) for more favorable and consistent trade arrangements.

Addressing the Australian National Press Club in Canberra in early September at the start of a six-week, official visit to Australia, New Zealand, and Southeast Asia, Commission Vice President Christopher Soames claimed that despite the EC beef embargo, which has slammed the door on Australian beef exports to Europe, the European Community remains committed to expanding world trade in agricultural products. Soames reassured his audience that the import ban on beef is only a temporary measure designed to reduce surplus EC beef stocks, estimated at 210,000 tons. Soames welcomed the recent initiative of the Australian Government, which had called for international discussion of the medium- and long-term prospects of the beef sector.

On September 17, however, Australia and other major beef-exporting countries—Argentina, Brazil, Columbia, New Zealand, Paraguay, Uruguay, and Yugoslavia—delivered an official complaint against the EC beef embargo. The following week EC

Agricultural Commissioner Petrus J. Lardinois indicated that the Commission would hold consultations with these countries to establish a stable beef export-import program.

The complaint lodged by the beef exporters claimed:

- that the EC import ban had seriously disrupted their economies
- that the EC had acted without prior consultations, thus violating the General Agreement on Tariffs and Trade (GATT) as well as certain trade agreements with certain members of the group
- that the EC decision, coupled with subsidies to EC beef farmers, had provoked further downward pressure on prices
- that the Community had contradicted its previous affirmations of free trade policy, creating a precedent which may encourage protectionism.

Commission President François-Xavier Ortoli and Commissioner Lardinois, while meeting with the ambassadors of the beef-exporting nations, admitted the justification of the group's protest but also said that a lifting of the beef import ban would have to be linked to a new import plan to ease the EC beef surplus. Since Japan also imposed a ban on foreign beef, observers believed that the Community was receiving pressure from American farm officials to resolve the worsening beef situation in Europe. Australian and Argentinian beef was being diverted to the United States in absence of the traditional European market, thereby aggravating US surpluses.

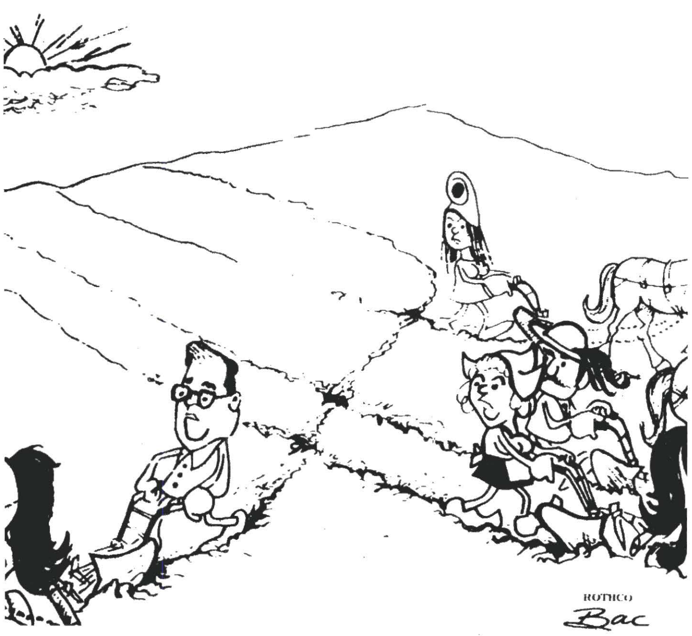
STORMY DECISION

Coupled with the import embargo, the EC Council approved a British proposal for a different system of beef support which would reward farmers for slaughtering their cattle in times of scarcity. But these subsidies only led to further decline in auction prices, inducing member states to embark on selfishly national policies. France, followed by Belgium, Luxembourg, and Holland, announced that special premiums would be paid to farmers with small herds of cattle, in the hope that such aid would help the small farmer weather the beef crisis until the market situation stabilized.

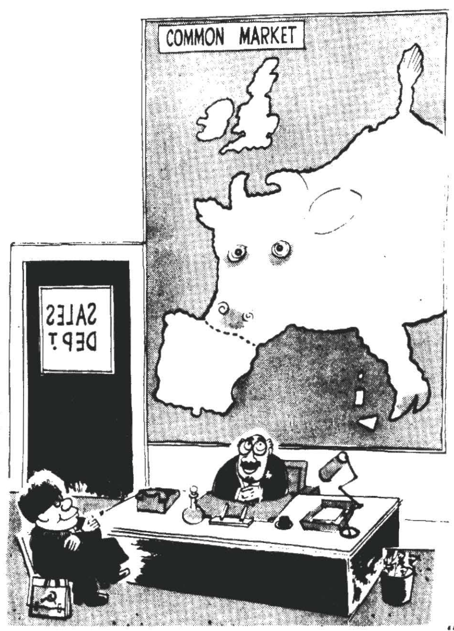
More recently, the Council enacted a 5 per cent increase in all farm prices. But the decision, reflecting the agricultural situation in general, had a stormy going.

The Commission had proposed a 4 per cent increase, but farmers claimed that only an increase approaching 8 per cent would enable them to stay ahead of inflation. They backed their claims with a protest involving an estimated million farmers throughout the Community on the eve of the September 18-20 Council of Agricultural Ministers meeting (see *European Community* No. 180, page 3). The 30-hour marathon Council session hammered out a 5 per cent compromise. But the Germans reserved final commitment until a full meeting of their national cabinet discussed the issue.

On September 23 the Germans rejected the 5 per cent in-



"The new German agrarian course." Bac, Frankenpost, *Hof, Germany.*



"Well, yes, as a matter of fact, we do have a small beef surplus." Waite, The Daily Mirror, *London.*

"Do you have anything in the beef mountain range, preferably overlooking a wine lake?" Audley, Sunday Telegraph, *London.*

Farmers block the Paris-Chantilly highway with tractors as part of a Community-wide protest September 16 against sagging farm prices.

crease, and what had been simply an agricultural crisis became a crisis calling into question the whole European Community. In the end, on October 2, the Germans agreed to the 5 per cent farm increase on the condition that the Community's entire common agricultural policy be reformed.

The major concern among agricultural officials remains the menace of a worldwide beef surplus next year and that neither subsidies, premiums, nor intervention price increases may be sufficient to avoid such a situation. Large beef exporters such as Australia, Yugoslavia, and Argentina have also been building up mountains of beef surplus as former export markets have begun to close doors.

Brussels police and protesting farmers outside the Community's Charlemagne Building September 3 while EC agricultural ministers meet inside.

AMERICAN PARALLELS

Recent history has shown that governmental attempts to control supply situations during inflationary periods are rarely successful and may aggravate market conditions. During the beef shortage late last year in the United States, cattle farmers refrained from slaughtering their beef in the belief that prices would rise greatly once the government-imposed wage and price controls were lifted. During that time consumers turned to cheaper replacements for beef, and demand continued to fall off once controls were removed and normal levels of slaughter continued. Supplies returned to previous levels and eventually evolved into a surplus from which the US beef market has not yet recovered.

Although many consumers blamed the farmers for provoking their own losses by their conduct during the period of wage and price controls, some economists pointed out that the US farmers had acted in an economically rational way and that the fault rested with the US Government for disrupting the normal interplay of supply and demand in the determination of prices.

In the European case, resolving the problem of a surplus beef market and providing the consumer with fair prices may lie in reducing the number of middlemen. Beef supplies pass through five or more wholesalers and retailers before being made available to the final consumers, with each middleman taking his profit. In the United States, extensive profiteering is limited by the integration of highly efficient beef processing plants. With 10.2 per cent of its population still in the agricultural sector, the European Community is far from approaching former Commission President Sicco L. Mansholt's vision of a 6 per cent farm population by 1980.

For the short term, however, international trade arrangements for beef will have to be made quickly. As mentioned, Australia launched an initiative to hold emergency international discussions about the medium-term prospects of the beef sector, where a world crisis could erupt long before future GATT talks reach the sensitive topic of agricultural policies. A first meeting of the major beef producers was scheduled October 15 in Washington.

What the Community plans to do with its "beef mountains," both on land and at sea, is still open to speculation. Rumors persist in Brussels that 50,000 tons of beef have been shipped to the Soviet Union, more discreetly than last year's butter mountain. A more noble gesture might be to pack some of the excess beef into cans for food aid to drought-stricken and disaster-ridden countries (see page 3), especially in a world situation where, as Eighteenth Century Scottish poet Robert Burns said: ". . . Some hae meat, and some canna eat."

European Parliament Comes to Washington

Multinationals, Eastern Mediterranean, and US-EC Relations Focus Parliamentary Exchange

President Gerald R. Ford welcomes European Parliament delegation to the White House. Flanking President Ford are: (left, in profile) Jens Otto Krag, head of the EC Washington office, and (right, foreground) Pierre-Bernard Cousté, vice president of the European Parliament and leader of its delegation to Washington.

Joint public hearings highlighted the sixth official exchange between representatives of the US Congress and the European Parliament (EP) in Washington September 16-18. The hearings covered multinational corporations and the situation in the eastern Mediterranean.

The 16-member EP delegation was led by Frenchman Pierre-Bernard Cousté, EP vice president and member of the Parliament's Progressive Democratic group. Organizing the visit on the American side were Rep. Donald M. Fraser (D-Minn.), chairman of the House Foreign Affairs Subcommittee on International Organizations and Movements, and Rep. Benjamin S. Rosenthal (D-NY), chairman of the Foreign Affairs Subcommittee on Europe.

The first official EC-US parliamentary exchange took place in January 1972, when Congressmen traveled to Luxembourg, site of the European Parliament's Secretariat. The exchange now occurs twice a year with an EP delegation traveling to the United States and a Congressional delegation visiting Europe. Last March the exchange was held in Florence, Italy.

"Of the four sessions I have been privileged to attend, this [the most recent session] has been the best and most productive one," said House Foreign Affairs Committee member Sam M. Gibbons (D-Fla.), who hailed the joint hearings as a "breakthrough." Cousté said: "The level of understanding during these frank and stimulating talks was higher than ever before."

EXPERT WITNESSES

Testifying before the joint hearings on multinationals were government, labor, business, and independent expert witnesses: Assistant Secretary of State for Economic and Business Affairs Thomas Enders, Deputy to the Assistant Secretary of Treasury for International Tax Policy Nathan Gordon, Massachusetts Institute of Technology Professor of International Economics Ron Mueller, Exxon Executive Vice President Emilio Collado, Caterpillar Public Affairs Manager Byron De Hahn, Pfizer Pharmaceutical Public Affairs Director Ted Littlejohn, and International Union of Electrical, Radio, and Machine Workers (AFL-CIO) Assistant President George Collins. Leonard Woodcock, president of the United Automobile, Aerospace, and Agricultural Implement Workers of America, submitted a written statement.

The hearings on the situation in the eastern Mediterranean heard Ludwig Fellermaier, vice chairman of the EP Socialist group, from Germany, report on the European Community's actions to aid return of parliamentary democracy to Greece and to lower tensions in the Cyprus crisis. Rosenthal reported on his recent contacts with Greek and Turkish Government circles. The EP members stressed the Community's willingness to "defreeze" the Greek association agreement when free democratic elections and basic human rights are restored in that country (see page 19).

An animated debate emerged over the question of withdrawing aid to Turkey. On this point, House Foreign Affairs Committee member Peter H. B. Frelinghuysen (R-NJ) said: "More wisdom has been expressed here by the Europeans than by the Americans." Also discussed were the security implications of Greece's withdrawal from the North Atlantic Treaty Organization's military structure.

In addition to the joint hearings, the parliamentarians met in two plenary sessions to hear and discuss papers on political and economic aspects of European-US relations. Papers were presented by Rosenthal; Gibbons; Peter Michael Kirk (Britain), chairman of the EP Conservative group, and Christian de la Malène (France), member of the EP Progressive Democrat group. The papers, and subsequent discussions, stressed the need for continued and intensified consultation and cooperation between the United States and the EC "Nine".

On the final day in Washington, the EP delegation met with President Gerald R. Ford at the White House. Jens Otto Krag, head of the EC Washington office, accompanied the parliamentarians to the White House. The President "emphatically restated" that "dedication to allies" has top priority in US policy.

Administration officials who met with the EP delegation included: Secretary of State Henry A. Kissinger, Counselor to the President for Economic Policy Kenneth Rush, Secretary of Commerce Frederick B. Dent, Secretary of Agriculture Earl L. Butz, Under Secretary of Treasury for Monetary Affairs Jack F. Bennet, and Assistant Secretary of State for European Affairs Arthur A. Hartman.

Questions and Answers at Joint US-EC Public Hearings on Multinationals

Peter Michael Kirk (EP Conservative Group): . . . *I know of very few cases where multinational companies outside the United States re-import into the United States, which would be the only case, as I understand it, that could have an impact on US employment itself.*

And, secondly, have you considered the employment position that arises outside the United States as a result of activities of multinational companies? As you know, in my country, in the United Kingdom, the greater part of the motor car industry is now in the hands of American companies. Whether this is a good or bad thing, I won't go into. . . . But the threat of unemployment is not a threat to employment to anyone in Detroit, it is a threat to employment to people in Glasgow, which happens to be the district I represent, and therefore a matter of some concern to me.

[Thirdly] . . . in certain industries a low-wage cost economy is more effective. I am thinking particularly of the textile industry, which we have in the United Kingdom, and I don't know if the position is made the same in the United States to run down our textile industry in order to accommodate the textile imports like Hong Kong or Bangladesh, where there is an unemployment rate, not 5 per cent as here or 2.5 per cent as in my country, but of anything up to 40 per cent. And surely part of the interest, both of labor and management, is that this type of industry should be supported in order to give employment in the less developed countries. . . .

Peter Michael Kirk (left), chairman of the EP Conservative group, and Rep. Peter H. B. Frelinghuysen (R-NJ) pause for lunch during joint hearings.

George Collins (International Union of Electrical, Radio, and Machine Workers, AFL-CIO): . . . *There is a measured loss of one million job opportunities in the United States, in many cases traceable not only to the export-import imbalance, the diminishing balance of trade that the United States has gone through in the past period of time, but also to the practice of the multinational corporations equally. . . . .*

In the electrical-electronics field there is an example where jobs have been transferred out of the United States into many areas of developing sectors of the world—countries such as

Besides Cousté, Fellermaier, Kirk, and de la Malène, the EP delegation was comprised of: Jan Baas (Netherlands), vice chairman of the EP Liberal and Allies group; Giovanni Boano (Italy), Christian Democratic group; Gérard Bordu (France), Socialist group; Horst Bruno Gerlach (Germany), Socialist group; Roger Houdet (France), Liberal and Allies group; Edgar Jahn (Germany), Christian Democratic group; Erwin Lange (Germany), Socialist group; Willem J. Schuijt (Netherlands), Christian Democratic group; Knud Thomsen (Denmark), vice chairman of the Conservative group, and Mario Vetrone (Italy), Christian Democratic group.

The parliamentary exchange concluded with a visit to San Francisco September 19-20 by the EP delegation for talks with local political, civic, and business leaders. House Foreign Affairs Committee member Leo Ryan (D-Calif.) played host to the Europeans on their California trip.

Reports of the EC-US parliamentary proceedings are available from the House Committee on Foreign Affairs.

Korea, Taiwan, Hong Kong, Singapore, Indonesia, Malaysia, and now into countries of South America. These are the jobs that the developing countries have determined as perhaps the entry jobs into industry. . . .

There are many examples . . . where the American electronic companies set up shop in those Asian countries, and the production is not sold in the Asian sector, but rather is imported back into the United States for sale to the American consumer market.

We might have indicated a degree of concern about the consumer perhaps benefiting from the lower costs of this production. This is not the case. Production, while it was at lower rates common to Asia, is not passed on and does not reflect the lower labor cost savings, but is transferred to maximize profit.

Now, I again state that there are many examples in the United States where . . . there are many people that need a chance to get into the industrial mainstream. They need these jobs just as much as anybody else needs them in any other part of the world, and for runaway American industry to deprive Americans of that opportunity to get out of the ghettos in the black communities, to get out of the barrios in the Spanish-American, Spanish-speaking communities in the United States, where there is high unemployment and high incidence of poverty, is to fraudulently turn your back on a problem.

To fill us with these high-sounding propositions and codes of ethical international business conduct, to elevate their mission to the developing of the Third World as some sanctified mission that they are embarking under, and to turn their back on the problems that we have in the cities in the United States where there is unemployment and poverty, to me is not a solution that is an honest one.

We have these problems and we have to deal with them, and that is why I thought at the outset that if it gets down to what to do about the multinational corporations, and their practices, that we must regulate them on a domestic basis first before we go launching into a higher plateau of regulation internationally.

Ted Littlejohn (Pfizer Pharmaceutical Corporation): . . . *As I understand it, about 3-4 per cent of American production abroad of American multinational companies is imported into this country, which is very, very small. Now, it is quite true, as Mr. Collins suggested, in certain fields it is important to workers. . . .*

Wouldn't it be rather better in terms of the general structure and trends that I have described to encourage what is happening in the United States now, namely, foreign companies investing here and creating jobs here—in other words, go with the strong trend of economic forces, rather than interfere with them. [See European Community *No. 179, page 9.] It seems to me that it is a much more direct route to provide jobs, than to introduce general regulations to deal with a problem that is relatively small.*

Bryon De Hahn (Caterpillar Corporation): . . . *My company is among those who have been accused of exporting jobs, so let me answer your question, if I may, in a United Kingdom context. We have three plants in the United Kingdom, one at Glasgow, one at Leiston, and one at Newcastle. Employment currently stands at some 5,000 people, so this is a large, new, and successful operation.*

We are exporting about 70 per cent of our British-made product. Virtually none of that is coming back to the United States. So it makes a very fine contribution to the British balance of payments.

Now, an interesting thing has happened. As this United Kingdom operation has grown, our exports from the United States have also gone up, and gone up very steeply. Last year we exported from the United States to the United Kingdom some $47 million worth of tractors and products. So, this is a win-win situation. It is good for the host country, and it is good for the United States.

As we have invested abroad, and as I have indicated we have done so very substantially, over $400 million worth of our exports have gone up to the point that some 40 per cent of our US work force is now directly dependent on those exports.

Meeting on Money (and of Minds?)

Europeans and Americans Exchange Views at IMF Talks

MARINA GAZZO, *Italian journalist who reports from Washington*

Inflation and oil, not long-range monetary reform, dominated the annual meeting of the International Monetary Fund (IMF), September 30-October 4, in Washington. Talk of a worldwide depression was frequent.

"The responsibility for making sure that the tragedy of the Thirties is not repeated in detail over the next few years rests on us collectively, the finance ministers and central bankers gathered in this room today," said British Chancellor of the Exchequer Denis Healey at the opening of the IMF Board of Governors meeting. "Posterity will not forgive us if we fail in this responsibility."

The responsibility was met, at least in part, with the establishment of an "Interim Committee" to tackle the problem of "petrodollars," including the best ways to recycle them. In the jungle of committees and groups that report, appraise, and decide monetary matters, the new committee will also, of course, continue the Fund's long-term reform work.

At its next meeting, on January 15-16 in Washington, the Interim Committee will make suggestions "on the possible need for additional arrangements, including enlarged financing arrangements through the Fund," to meet the oil problem. These arrangements are known as the "oil facility."

In the meantime, at the IMF annual meeting, there was no lack of suggestions. But a consensus on practical measures failed to emerge. In particular, the main potential contributors to enlarged financing arrangements—the oil-exporting countries—did not give a positive response. Moreover, the only two oil-consuming countries that could afford to make similar contributions—the United States and Germany—made it clear they did not intend to do so.

DIFFERENT ANALYSES, DIFFERENT SOLUTIONS

As the suggestions were rich in quantity, so too was their variety in substance. The analysis of the relevant elements in the present crisis—pricing, conservation measures, deficits—differed from country to country, with varying emphasis on one or another factor, and with therefore different solutions advised.

On the price front, for example, the EC countries, in contrast to some recent US public statements, wished to avoid what could be interpreted as any kind of confrontation with oil-exporters, while at the same time improving the means available to balance the oil deficits. (France, in particular, has always opposed anything resembling an oil-consumer "cartel.") Realism and moderation seemed the theme for the EC countries, even if some of them have made clear further oil price increases would be intolerable. This theme also ran through the discussions of the "Five" (Britain, France, Germany, Japan, and the United States) two days before the Fund meeting.

The International Monetary Fund (IMF) opens its annual meeting in Washington (left to right): German Central Bank Vice President Otmar Emminger, US Treasury Under Secretary for Monetary Affairs Jack F. Bennett, Italian Central Bank Vice President Rinaldo Ossola, US Treasury Secretary William E. Simon, Italian Treasury Minister Emilio Colombo, Italian Central Bank President Guido Carli, and IMF Managing Director Johannes Witteveen.

Trying to reduce oil prices would be, according to German Finance Minister Hans Apel, "unrealistic." A substantial cutback in oil consumption "would not necessarily bring prices down." He acknowledged that drastic conservation measures would probably not be understood by the German public, which suffered fewer restrictions than other countries during the oil pinch.

At the other extreme, Italy, with an economy verging on bankruptcy, cannot ignore the price factor. While insisting on the necessity of "negotiation" and "cooperation," Italian Treasury Minister Emilio Colombo stated: "If we don't want the international monetary system to be disrupted, with negative consequences for all the members of the international community, particularly the poorer and the weaker, we must aim at agreements between consumers and producers, so that the oil price will be assessed at levels acceptable for the world economy." The negotiations to that effect should take place, according to Colombo, "within international institutions or institutionalized groups. . . . The new Interim Committee of the Fund seems to be the most appropriate forum for these important discussions."

Britain's Healey, while admitting that "conservation must be a major element in our approach," voiced fears that, "if we were to limit our imports of oil to what we can pay for year to year by exports, we would create bankruptcy and unemployment on an unprecedented scale."

France's intention to cut its oil import expenditures by 10 per cent in value was generally welcomed by the IMF delegates as a first step, both concrete and firm. But a certain skepticism was evident: the French decision, which implies rationing, was announced on Paris' coldest October 3 in a century.

RECYCLING PETRODOLLARS

With the oil deficit estimated at $60-$80 billion this year, recycling of petrodollars was seen as a more immediate goal than conservation. Said Healey: "We must accept deficits on our balance of payments of a magnitude hitherto unthinkable, and we must finance those deficits by borrowing." If oil-importing countries tried to eliminate their overall current account deficits in the short run, they would "only reallocate the deficit" among themselves, Healey warned, which might lead to a serious contraction of world trade and economic activity.

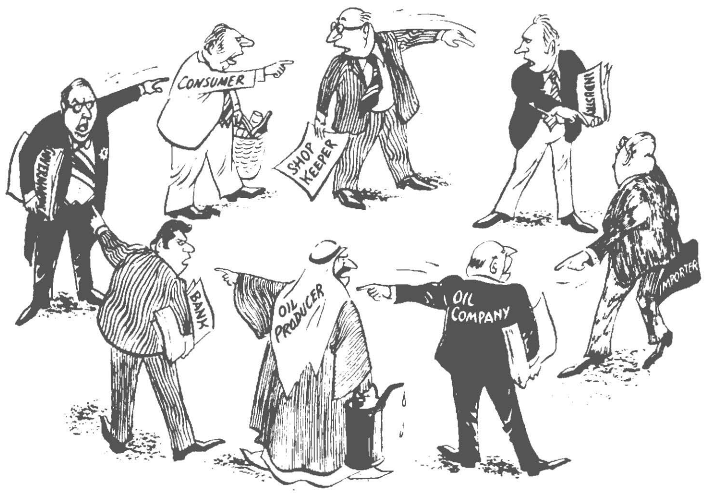
How should these countries, then, cover their "inevitable" (Healey's adjective) balance of payments deficits? The Chancellor of the Exchequer had a suggestion—approved, in principle, by his EC partners and by the United States—the establishment of an oil facility much larger than the existing one. (This year, countries like Abu Dhabi, Kuwait, Libya, Saudi Arabia, Iran, Venezuela, and Canada have made available $3.4 billion for the countries with big oil deficits.) Through this enlarged facility, Healey said, "a significant proportion of the petrodollar surplus can be firmly invested in an international organization so that we have a basis on which we may cooperate over the distribution of

World Bank President Robert S. McNamara (left) and Italian Treasury Minister Emilio Colombo (right). The World Bank, or International Bank for Reconstruction and Development, held its annual meeting simultaneously with the IMF meeting.

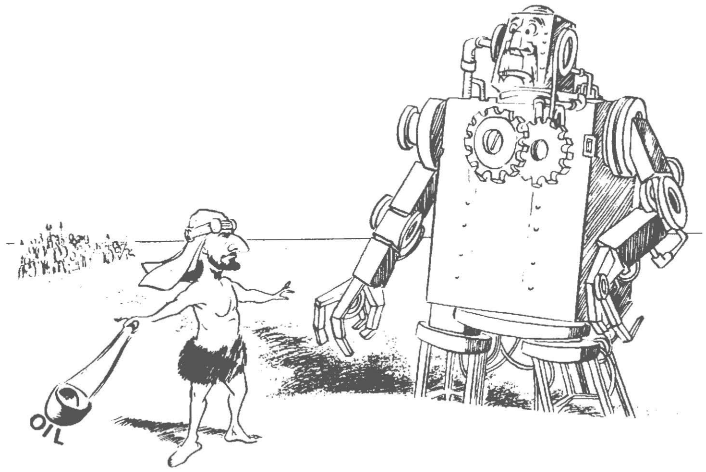
finance between the consuming countries." Jean-Pierre Fourcade, French Finance Minister and EC Council President, agreed with Healey that "the Fund obviously constitutes the most appropriate channel for recycling" and that "lending operations . . . should be expanded." But Fourcade reportedly called for reduction of the probable amount of this new facility from Healey's $30 billion to a maximum of $10 billion and most likely $5 billion.

On the whole, even the countries which favored a substantial enlargement of the oil facility also preferred, in the words of Healey, "a variety of mechanisms to supplement what the markets can achieve by themselves." Others seemed to have more confidence in the "remarkable capacity" of financial markets "to intermediate between surplus and deficit countries" (Germany's Apel), and in the adequacy of existing financial arrangements that have "responded reasonably well to the strains of the present situation" (US Treasury Secretary William E. Simon). But both Simon and Apel acknowledged that supplementary mechanisms should be carefully studied.

"We must be prepared," conceded Jack F. Bennett, US Treasury Under Secretary for Monetary Affairs, refusing to call "premature" the study of Healey's proposal. Apel, too, recognized the role of the Fund in the task of recycling petrodollars and invited it to "make realistic proposals in due course." "Realistic," in Apel's term, should not mean too ambitious, like Healey's $30



"He *promotes inflation." Behrendt,* Het Parool, *Amsterdam.*



Vadillo, Siempre, *Mexico.*

billion, but still much higher than the proposed EC bond issue. The EC asset to attract oil money was approved by the Council in principle last July for 2 billion units of account at 5-to-10-year terms. (One UA equals $1.20635 at current rates.)

DEVELOPING COUNTRIES AND INFLATION

Fourcade, like all the EC finance ministers, stressed the "very special interest of the European Community in development problems." The oil crisis has been "more acute" for the developing countries, Healey said, but on a "much larger scale" for the developed countries. One encouraging step at the IMF meeting was the establishment of a new "Development Committee," or "Committee on the Transfer of Real Resources," that will deal with the problems particular to the developing countries.

The "transfer of real resources" was forcefully depicted by Hushang Ansary, Iran's Minister of Economic Affairs and Finance, who spoke of the past transfer from the rest of the world "to a handful of industrial countries . . . in the form of cheap oil and other cheap raw materials." He denied that higher oil prices have been the major cause of the Western world's "virulent inflation." By his reckoning, oil price increases accounted for only 1.5 per cent of the industrialized world's average inflation rate of 14 per cent this year. Germany's Apel also minimized the impact of oil on the overall increase of prices.

As in the discussion of a larger recycling facility, inflation received different interpretations from the different IMF delegates. In the European Community, Germany remains, while having the lowest rate of inflation, inflation's most determined foe. "It is inflation and excessive cost increases that create the danger of recession, not policies of economic stability," insisted Apel. He said that Germany, in "trying to remain an anchor of stability, is rendering a service to the international community in its struggle against inflation." Germany's present-day anti-inflation stance has a firm historical basis: In the early Twenties, German prices went up by the hour, and a coin was worth a half million marks.

Like Apel, US Treasury Secretary Simon said he did not fear an international recession caused by anti-inflation policies: "The world must concentrate its attention and its effort on the devastating inflation that confronts us."

MONETARY REFORM

Others, including IMF Managing Director Johannes Witteveen, continued to point to the risk of a worldwide depression. Healey spoke of "stagflation" or "slumpflation." Fourcade emphasized: "The idea that depression might be regarded as a means of achieving equilibrium is unacceptable." Colombo insisted on the importance of "not losing sight of the dangers of a higher rate of unemployment."

A crisis like the present one—an unprecedented combination of oil deficits, inflation, and slowdown in the growth rate—could not in the end make a reform of the international monetary system any easier to agree upon than formerly.

Take the gold issue. True, the problem of gold has a top priority for the new Interim Committee, but Germany still considers a quick solution not very likely. For Italy and France, on the contrary, this problem needs solving soon. Italy aims at a "complete mobilization of the gold contained in official reserves." France believes that gold "should not be the object of a piecemeal approach" and that "central banks should be free to buy and sell gold at a price derived from the market."

The debate on gold is far from finished, although some progress has been made (US Treasury Under Secretary Bennett said, for the first time, during the IMF meeting, that central banks might be allowed one day, after a transitional period, to buy gold). The debate is expected to go on when the Interim Committee meets in Washington in January.

Other problems temporarily put aside, like the quarrel on fixed or flexible parities, will also arise again as the postponed discussion of the postponed reform of the monetary system resumes. Similar discussions will occur also among the EC "Nine" when they decide on the relations between what remains of the EC "snake" and the other European currencies (see *European Community* No. 177 page 10).

Big Money, Small Country

Luxembourg Evolves Into Financial Capital

ALPHONSE THEIS, *economic editor of the daily newspaper* Luxemburger Wort

As an economically anxious world looks to Wall Street and London for indications of financial things to come, attention also centers on the European Community's smallest country, the Grand Duchy of Luxembourg.

The spectacular growth of Luxembourg as a financial center in recent years is illustrated by the number of banks located there—13 in 1955 and 77 today. No other financial center, except perhaps in the Mideast or Far East, has taken such rapid strides in so little time. And this growth is continuing.

The presence of such prestigious names as the Banco di Roma, Bank of America, First National Bank of Boston, Bank for International Credit and Commerce, Crédit Lyonnais, Union des Banques Arabes et Européennes, Union de Banques Suisses, and Bank of Japan show the international character of these new establishments. Primarily, it is American, German, French, Swiss, Japanese, and Arab capital that is flowing into Luxembourg. British banks, probably out of respect for London's financial tradition, have so far been reserved about locating in Luxembourg. Current rumors in the Grand Duchy say that the Soviet Union, Poland, Romania, and even China are thinking of establishing banks in Luxembourg for foreign trade.

BANKS HELP ECONOMY

A comparable expansion of the number of personnel working in Luxembourg's banking sector has naturally resulted. In 1955, 1,000 people at the most were employed by banking institutions. At the end of 1973, this figure had more than quintupled. Since 1965 alone, more than 3,000 new jobs have been created in the banking sector. This figure corresponds to the number of workers employed by the second largest iron and steel works in Luxembourg or by Goodyear, the American tire manufacturer, whose firm has been located in Luxembourg for 20 years.

More than 3.5 per cent of Luxembourg's total active population, and a rising percentage of women, are employed by financial institutions. Last year women made up almost half the work force in this sector, while in 1965 they constituted only one third.

In banking, as in all other branches of the Luxembourg economy, the small local work force often cannot meet the job demand. The top management is usually "imported" from the mother companies, but the banks have to scour the job markets of neighboring countries—Germany, Belgium, and France—to find middle level workers and secretaries. Out of the 5,121 persons employed by banks at the end of 1973, 27 per cent came from foreign countries, while in 1965 this figure was less than 15 per cent.

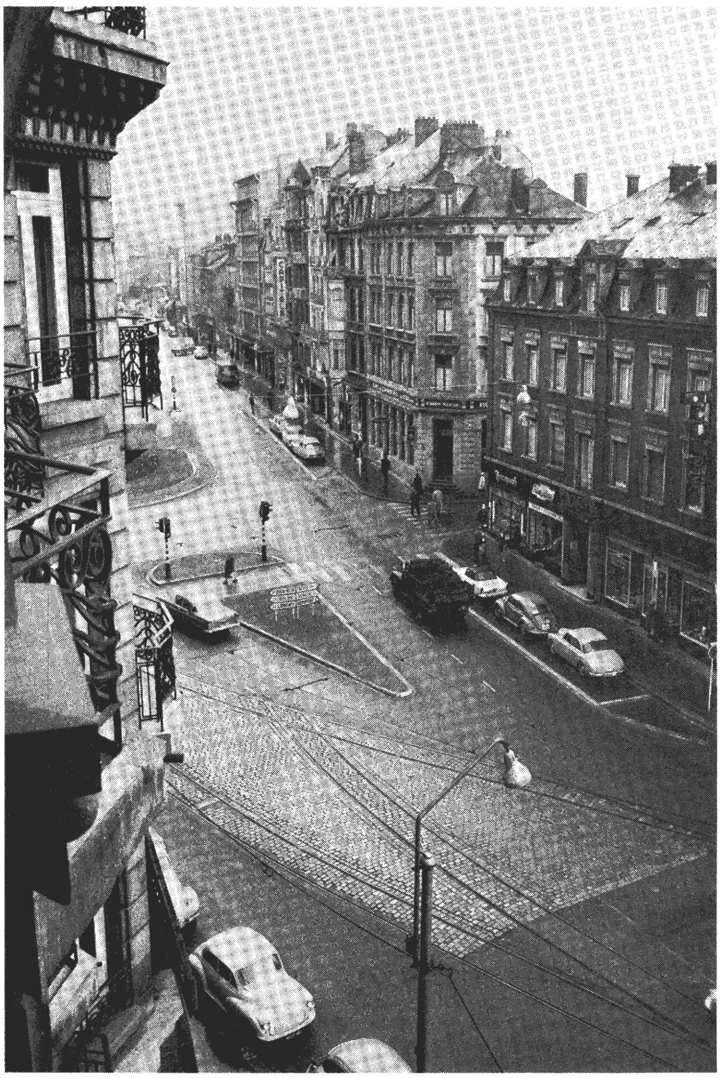
The importance of Luxembourg's financial center to the economy of the country itself cannot be defined by the number of banks and jobs alone. Excluding salaries paid, banking activity accounts for 10 per cent of Luxembourg's total fiscal receipts. In taxes paid to the Luxembourg Government, a bank ranks third, behind the principal ironworks and Radio-Luxembourg.

Many factors have contributed to Luxembourg's transformation into an international financial center. This small country, which enjoys a favorable political and social climate, doesn't have any monetary and financial ambitions that might discourage the capital of countries rich in foreign exchange. The Luxembourg authorities' liberal policy toward foreign capital, very liberal exchange controls, a well organized banking system, a stock exchange which is not overburdened, and an efficient and flexible system of law also play a part in the Grand Duchy's growth as a financial center.

TAX LAWS ATTRACT CAPITAL

Luxembourg's laws on holding companies were adopted in 1929 with the view of attracting foreign capital. Under the laws, only

A street scene in Luxembourg.



holding companies in the strict sense of the word—administrative companies, as it were, whose sole activity consists of investing capital in other non-industrial or non-commercial companies—had privileged tax arrangements. Since the late Fifties, however, Luxembourg authorities have given the laws a dynamic interpretation to include common investment funds, group financing companies, their branch offices and other joint investment projects, financial holdings for bank participation.

Exempt from national or local income taxes, holding companies in Luxembourg are obliged only to pay a capital subscription tax at the time of their creation and an annual subscription tax. These two taxes are a function of the amount of capital the company holds, its stock, and its transactions' value.

This tax system has frequently been criticized abroad. In particular, when deciding on the site for the Community's proposed European Reserve Fund, some EC countries initially ruled Luxembourg out as the location unless its tax laws were amended. Luxembourg successfully argued, however, that its system is no more advantageous than comparable asessment systems in other EC countries, and that major concessions in its system should not be made without a general Community-wide harmonization.

Luxembourg's amazing evolution as a financial center has also been aided by the liberal organization of the financial market. Commercial and financial transactions are in no way restricted. International capital movements are not declared. Furthermore, a double exchange market exists—an official exchange market for current payments of charges and a free market for strict capital movements.

One of the main reasons for Luxembourg's financial growth has been completely beyond that country's control, however. That is the rapid extension of the Eurodollar market. Due to a deteriorating US balance of payments, the United States decided, in 1963, to impose an equalization tax on interest rates with the acquisition of foreign values by American brokers and, in 1965, to apply this same tax to American banks' foreign credits. Two parallel international financial markets resulted—the Eurocurrency market and the market for European issues. Luxembourg's position in the financial world rose on both markets, with the Euro-issues being the more important.

One final statistic can best illustrate Luxembourg's financial importance: In 1973 the general financial statement of Luxembourg's banking sector registered approximately $21 billion, of which $15 billion came from international operations.

The London Stock Exchange during last winter's energy crisis. "British banks, probably out of respect for London's financial tradition, have so far been reserved about locating in Luxembourg."

Community News

US-EC Relations

Krag Calls for Atlantic Cooperation

Honest and effective cooperation between the United States and the Common Market is essential to maintain free trade in the current climate of crisis, said Jens Otto Krag, head of the EC Washington office, in an October 3 address to a New York luncheon sponsored by the New York Chamber of Commerce and Industry in cooperation with the International Study and Research Institute.

Krag stressed the "rich possibilities for plural dialogues, multilateral discussions and agreements, trade . . . and actions in all human fields across all of the present frontiers" of "a newly multipolar world." He called upon the United States and other industrial powers to join the Community in the search for new and strengthened forms of international cooperation to restore world order and to head off a rash of restrictions which would ultimately "make us all poorer."

Krag appealed to the US Administration, in its anti-inflation efforts, "to see further than its own economy, to see what repercussions the measures taken in this country will have in Europe." In concluding, Krag stressed that "the basis on which world peace has been kept so far has been the US-European tandem, and that only in cooperation across the Atlantic will we be able to solve the free world's present problems."

Nuclear Information Accord Signed

The United States and the European Atomic Energy Community (Euratom) have a new, three-year accord on nuclear science and technology information.

A "memorandum of understanding" was signed in Brussels on September 19 between the United States, Euratom, Belgium, Germany, Ireland, Italy, Luxembourg, and the Netherlands. The parties to the memorandum undertake to coordinate their efforts in collecting, evaluating, processing, and disseminating nuclear documents.

The cooperation accord takes note of the program of the International Atomic Energy Agency to develop an international nuclear information system.

Multinational Misunderstandings

Misunderstandings over foreign investment have created, in certain cases, "unproductive adversary relationships" which have masked the true benefits of foreign investment, according to Joseph A. Greenwald, US Ambassador to the European Community. Speaking at a symposium on multinational corporations held in Nice, France, September 25, Greenwald called for "a meeting of the minds" among investors, national governments, and labor union representatives to overcome prejudice and enhance international business cooperation.

Greenwald was critical of a recent United Nations report on multinational firms, which, he said, "missed an opportunity to help bridge the gap between the proponents of multinationals and their critics." Some of the restrictive measures recommended in the report would seriously reduce investment flows to those countries which most need them, Greenwald said.

Concerning the European situation, the Ambassador felt that the EC competition principle of non-discrimination against non-EC firms would be a helpful aid to the international business climate as EC industrial and anti-trust policies evolve. Improved governmental consultation and more frank disclosure of information about the activities of multinationals will, in the long run, allay suspicions and bolster confidence in international business, he concluded. (For excerpts from joint EC-US parliamentary hearings on multinationals, see page 10).

Ortoli Visits New York

Despite Europe's present difficulties, according to EC Commission President François-Xavier Ortoli, "a completely new realty is emerging, a reality which everybody in the world must take into account."

In New York on September 26 to address the Inter-Alpha Group of Banks, Ortoli said that Europe today is "at once ambitious and troubled." Since the nine EC countries are engaged in what Ortoli called a "revolutionary enterprise," current troubles should not be astonishing.

"We are in a period of creation," Ortoli said, "and every day proves that this creation is certainly a difficult one. . . . But let us not only see problems and obstacles, we also have to be aware of the progression, the move forward which certainly exists."

US Assurances on Soybean Exports

US Assistant Secretary of Agriculture Clayton Yeutter assured Commission farm officials September 18 that the United States would not impose export controls on soybeans this year.

The Community imports nearly three-fourths of its total protein feed supplies, mostly from the United States. Last year soybean export controls were imposed by the United States.

Yeutter was making a European tour to follow up discussions held in Washington in August by EC Agricultural Commissioner Petrus J. Lardinois and US Agricultural Secretary Earl L. Butz (see *European Community* No. 180, page 16).

Mutual Crises Call for Cooperation

While the future design of European unity is a matter for the Europeans themselves, the United States would like nothing better than to collaborate with a second strong power in the West, for mutual problems require mutual cooperation, said US Ambassador to the European Community Joseph A. Greenwald October 4.

Lecturing before the North Atlantic Treaty Organization (NATO) Defense College in Rome on the theme "The Atlantic Alliance and European Unification," Greenwald reiterated continued US support for the process of European unity. He said that many of the underlying reasons for US backing of Europe in the early postwar era are still valid today despite the vastly different circumstances.

Full consultation on matters of mutual interest is the key to healthy US-EC relations in the future, the Ambassador continued, and with EC adoption of the "Gymnich Formula" (reference to the "Nine's" political cooperation meeting in early June) "interim arrangements for US-EC consultations have been worked out."

Greenwald concluded by noting that mutual crises, such as agricultural surpluses and shortages and massive inflation, will narrow differing US and EC policy approaches.

1973 EC-US Trade Balance

In the first year of the enlarged Community, its trade balance with the United States ran a deficit of 1.9 billion units of account (UA), according to statistics released by the EC Statistical Office in September. (One UA equals $1.20635 at current rates.)

The Community imported UA 15.460 billion in US goods, while exporting UA 13.538 billion last year. The EC 1973 trade balance with all third countries also ran a deficit of about UA 4.9 billion, with a total of UA 89.507 billion in imports and UA 84.562 billion in exports.

External Relations

Canadian-EC Discussions

The possibility of a broad trade agreement between Canada and the European Community was to be discussed between Canadian Prime Minister Pierre Elliot Trudeau and EC Commission officials in Brussels October 23-25.

Canada proposed the establishment of a "direct contractual link" with the Community in an April 20 memorandum to the Commission. Following exploratory talks with Canadian authorities, the Commission informed the Council on September 12 that it favors exploring a new type of agreement providing a broad EC framework for economic and commercial cooperation between Canada and the member states, extending beyond classic trade policy matters such as tariffs and quotas.

Bangladesh Minister Visits Brussels

Kamal Hossain, foreign minister of Bangladesh, the world's eighth most populous country and one of the world's poorest, held talks in Brussels, September 12, with EC Commissioner Claude Cheysson, responsible for development aid, and Commission President François-Xavier Ortoli.

The talks covered the projected $500 million EC contribution to the United Nations fund for the countries most seriously affected by the energy crisis. Among these countries, Bangladesh, according to Hossain, has a payments position so critical that food import needs may not be met. (See page 5 for a discussion of the EC contribution to the UN fund.)

Also discussed were a commercial cooperation agreement, a sectoral agreement on coir and coir products, maintenance of present concessions on jute exports to Britain and Denmark beyond the end of 1974, and access to the EC's global aid fund for non-associated countries when it is created.

Hossain was assured by Cheysson that EC shipments of nearly 70,000 tons in emergency food aid would be sent to the flood stricken areas in Bangladesh by early October.

Turkish Foreign Minister Visit

Turkish Foreign Minister Turan Gunes met on September 19-20 in Brussels with EC Commission President François-Xavier Ortoli and other Commissioners. Greek Foreign Minister Georges Mavros visited Brussels September 10 (see *European Community* No. 180, page 15).

Turkey, like Greece, has an association agreement with the Community designed to lead to eventual membership. The purpose of the Gunes visit seemed mainly to reassure the Community that Turkey, like Greece, would seriously consider taking up the membership option when the time is ripe.

Gunes warned, however: "If Greece were to join now, its economy would be drowned and ours (Turkey's) would be asphyxiated. If we entered together, we would both be drowned."

Eventual EC membership for both Greece and Turkey "in the distant future," Gunes said, could serve an important political purpose in resolving the recurrent conflicts between the two states. But, the Turkish minister reiterated, the economic circumstances must be carefully considered.

EC-Arab Dialogue Continues

The European Community's dialogue with the Arab countries on potential areas for mutual economic and technological cooperation was expected to move forward with October talks between EC Commission Vice President Henri Simonet and Ali Attiga, secretary general of the Organization of Petroleum Exporting Countries (OPEC). Simonet announced the talks at a September 27 news conference in Brussels.

Simonet, responsible for EC energy policy, emphasized the need for the Community to play a role in international energy policy-making and for the Commission to attend future meetings of the "Group of Twelve" oil-consuming countries. The Twelve, who tentatively agreed September 20 to set up an oil sharing plan during crises, consist of eight EC member states (excluding France), the United States, Canada, Norway, and Japan (see *European Community* No. 180, page 3).

Also participating in the October 7 talks was Commissioner Claude Cheysson, responsible for EC development aid policy.

EC-ASEAN Cooperation

The European Community is committed to a new cooperation policy toward non-associated developing countries, including the Association of South East Asian Nations (ASEAN), Commission Vice President Christopher Soames told ASEAN ministers at a September 24-25 meeting in Djakarta, Indonesia.

A joint study group has been set up by the Commission and ASEAN, a decision taken during the Djakarta talks. The Community is interested in closer ties with ASEAN as part of its commitment, resulting from EC enlargement, to Commonwealth Asia and other Asian countries. ASEAN is particularly interested in the EC generalized preference system, trade promotion, and the Community's nascent global development policy.

The Djakarta talks were the third such meeting between the Commission and ASEAN ministers since June 1972. ASEAN members are Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Soames attended the ASEAN meeting as part of a six-week official visit, which also took him to Australia, New Zealand, Singapore, and the Philippines.

Relations with Australia and New Zealand

Both Australia and New Zealand want to develop a "deeper and more confident relationship with the Community," Commission Vice President Christopher Soames concluded after a six-week trip to those countries and Indonesia, Malaysia, the Philippines, Thailand, and Singapore.

At an October 4 Brussels news conference, Soames said both countries regard the enlarged Community as here to stay and have set about adapting their trade patterns accordingly. They "no longer see themselves as an extension of British farmland with a duty to provide cheap food to the British market," although naturally they want to continue supplying the Community.

Regular ministerial-level contacts will be held with New Zealand and Australia in the future, the Commissioner responsible for EC external relations said.

EC-Israel Trade Talks

After a year's delay, the Commission resumed negotiations for a European Community trade agreement with Israel October 1-2.

The talks focused on potential Israeli tariff reductions for EC industrial products, EC concessions for Israel's farm goods, and possible industrial, scientific, and technological cooperation.

Similar trade negotiations with other Mediterranean countries—Morocco, Tunisia, Spain, and Algeria—were also scheduled.

Thawing EC-Greece Association

The European Community's association agreement with Greece is being resumed in accordance with a September 17 Council of Ministers resolution. (For a discussion of the association agreement, see *European Community* No. 180, page 12.)

Greece will keep high customs duties on tire imports from the Community for four years to protect its infant tire industry. Other measures, such as the signing of protocol agreements and release of European Investment Bank financial aid, were to be announced at the next EC-Greece association council meeting.

The Council decision came after Greek Foreign Minister George Mavros visited Brussels September 10-12 and met with Commission assurances that the association agreement could now, with the re-establishment of Greek democracy, be "unfrozen."

Meanwhile, Greek Defense Minister Evangelos Averoff responded to the Council of Europe's Consultative Assembly September 27 vote to make Greek Council membership contingent on the holding of parliamentary elections by announcing they would be held in early November.

EFTA-EC Trade Boost

Trade between the Europen Free Trade Association (EFTA) and the European Community increased by 35 per cent during 1973, according to EC statistics released in September. It was the first year in which the two were linked by special trading arrangements, negotiated to coincide with EC enlargement—which brought two former EFTA members, Britain and Denmark, into the Community on January 1, 1973.

The Community is every EFTA country's most important trading partner, and accounts for over half the total trade of Sweden, Switzerland, and Austria. The biggest increase in imports from the Community in 1973 was 43 per cent in Norway. The greatest EFTA export increases to the Community were in Iceland (83.2 per cent), Portugal (41 per cent), and Sweden (40 per cent).

The trade agreement with the remaining EFTA country, Finland, did not come into force until 1974.

Economy

Inflation Still Rages

The Community's annual rate of inflation in the 12 months through July came to 13.3 per cent, approximately the same as the industrialized world average.

EC countries running above this average were Italy at 18.9 per cent, Ireland (16.2 per cent), Britain (17.1 per cent), Denmark (15.9 per cent), France (14.4 per cent), and Belgium (13.7 per cent). Below the norm were Luxembourg (10.1 per cent), the Netherlands (9.6 per cent), and Germany, which at 6.9 per cent, holds the record for the industrialized world in keeping prices down.

EC consumer prices jumped by 1.1 per cent in July, compared to 0.9 per cent in June.

Simonet-Friedman Dialogue

EC Commission Vice President Henri Simonet and American economist Milton Friedman engaged in a dialogue on solutions to inflation at a round-table discussion on "Inflation in Western Society," sponsored by the US Embassy in Brussels on September 8.

Arguing against wage-price controls in favor of price indexation, Friedman said: "Only by having the government spend less, slowing down the rate at which they print money, and using 'escalator clauses' to absorb the public pressure for price increases, can we expect to reduce inflation to a controllable level."

Simonet, responsible for EC fiscal policy, claimed that inflation was just as much a political problem. "Indexation is only an economic sedative," he said. "What is needed is a long term effort between management and labor, covering all aspects of economic policy, not just the monetary side."

Both agreed that the ability of the poor to cope with inflation must be improved either through subsidies or tax exemptions.

Trimming 1975 EC Budget

The European Parliament has its say in November on the draft EC 1975 budget, which then returns to the Council of Ministers for a final decision at the end of the year.

The draft budget put forward by the Commission was cut back from 6.9 billion units of account (UA) to UA 5.5 billion, when the Council met to discuss it for the first time September 23. (One UA equals $1.20635 at current rates.)

The main casualties of the economy drive—which will cut budget growth from 37 per cent to less than 10 per cent—were the social action program, industrial development contracts, the regional fund, and food aid.

Moderate Growth Expected

The nine EC countries can expect moderate economic growth over the next 15 months but will still face serious inflation problems, according to the annual EC economic report, adopted by the Commission and sent to the Council in September.

The report said the Community's real growth rate would reach 3.5 per cent next year, compared to 2.5 per cent in 1974. The 1974 consumer price increase of 13 per cent would drop to 10.5 per cent in 1975, the report said.

Besides record inflation levels, the Community has been hit by a deficit on current account approaching $20 billion this year. In 1973 the Community enjoyed a $1 billion surplus.

Europe's Monetary Future

At their first meeting of the fall, on September 16, EC finance ministers took a broad look at the monetary future of European cooperation.

Proposals were put forward for a new unit of account and new rules for concerted floating of Community currencies based on the existing "snake" (to which only five countries still adhere) but with greater built-in flexibility and coordinated action on Eurocurrency markets. These proposals, which aroused reservations in some member states about the advisability of going ahead with monetary cooperation without accompanying economic moves, were to be studied further.

The ministers agreed to extend the existing 1.6 million units of account (UA) Community-backed short-term credit facilities to Italy for three months. (One UA equals $1.20635 at current rates.)

Also discussed was the possibility of EC loans floated on the international market to help member states in economic difficulties.

Agriculture

Emergency Farm Measures Approved

Emergency measures to aid European Community farmers were agreed to by the EC Council of Ministers September 20 in Brussels, subject to the formal approval of the Germany Government. German approval came October 2 (see page 8).

The measures included: raising farm prices by 5 per cent immediately; moving the 1975 price-setting negotiations to February 1 from April 1; raising beef cattle subsidies and the British guaranteed milk price by 5 per cent, and calculating next year's farm prices so as to compensate for the high inflation rates of the past two years.

The Council also took a number of measures designed to alleviate specific national difficulties. These included improving aids for distillation of wine in Italy and France, where good harvests have resulted in a wine surplus, and devaluing the "green" pound in Britain and Ireland, i.e. modifying farm prices to take the depreciation of the pound into account.

Toward Safer Farming

A recent EC Commission study shows that rapid mechanization of farms and the rising use of pesticides and insecticides increase illness and injury in member states. To illustrate the problem, September 15-22 was declared "Safe Farming Week."

The study showed, for example, that 349 people died using tractors in Italy in 1969; 1,379 people died and 22,030 were injured in the agricultural sector in Germany in 1970; in Britain there were 6,212 farm accidents in 1972, of which 120 were fatal.

To supplement the ongoing Community work on harmonized rules for the safety of agricultural machinery and standards for pesticides and fertilizers, the Commission backed a coordinated farm safety week, during which member governments organized programs in their respective countries.

Coordinating Farm Research

A regulation to coordinate and stimulate national agricultural research activities throughout the European Community was adopted by the Council of Ministers in September.

A standing committee on agricultural research will be set up to advise the Commission on research trends, developments, and application of results. The committee, made up of member state and Commission representatives is to be chaired by the Commission.

The regulation also allows the Commission to propose specific programs to be jointly undertaken by national scientists and partly financed by the Community.

Sugar Help for Britain

Britain will not be forced to pay world prices for sugar when its Commonwealth Sugar Agreement expires this year, according to a recent Commission proposal.

Britain, the largest EC sugar importer, has been importing sugar at favorable terms under the agreement. According to the proposal, the Community would buy sugar on the world market and sell it to Britain at the EC price (one third of the world price). The Community would partly offset its loss by selling EC sugar on the world market.

Energy

Common Energy Policy Go-Ahead

The EC Council of Ministers on September 17 reaffirmed the "political will to draw up and implement a Community energy policy."

The Council emphasized that this common energy policy will enable the Community progressively to express a united point of view on energy problems vis-a-vis non-member countries.

Before the end of the year there will be a special Council session devoted to translating the targets for 1985 energy production and use put forward by the Commission into concrete programs.

The programs will be guided by the need to reduce the rate of growth of internal consumption and to improve security of supply. In particular, the programs will call for developing nuclear power production, using the Community's hydrocarbon and solid fuel resources, maintaining diversified and reliable external supplies, and developing new technologies and energy sources.

Social Policy

Social Fund Grants to Help Workers

Over 83,000 workers will benefit from the latest grants from the EC social fund. The allocations announced in September amount to 77.7 million units of account (UA) and bring the total granted so far in 1974 to UA 140.3 million. (One UA equals $1.20635.)

The bulk of the money will go to worker retraining programs in the Community's underdeveloped regions or industries overtaken by new technological developments. The major beneficiary countries are: the United Kingdom (UA 30 million), Italy (UA 15.8 million), and France (UA 11.4 million), followed by Belgium (UA 5.5 million), Netherlands (UA 2.5 million), Denmark (UA 1.5 million), Germany (UA 1.9 million), and Ireland (UA 1.4 million).

The remaining money—UA 7.1 million—will go to textile and agricultural workers forced to leave those industries in Germany (UA 2.8 million), France (UA 1 million), and Ireland (UA 3.3 million).

Calendar

SEPTEMBER

2 Commission sends Council proposal recommending normalization of association agreement with Greece (see page 19).

9 Commissioner Claude Cheysson discusses Community development aid policy and food aid to developing countries at Brussels press conference (see page 5).

10-11 EC, US, and Japanese representatives resume negotiations in Brussels for a "gentlemen's agreement" on export credits (see *European Community* No. 180, page 3).

10-12 Greek Foreign Minister Georges Mavros visits Brussels (see page 19 and *European Community* No. 180, page 15).

12 Commission Vice President Henri Simonet addresses the National Union of Mineworkers in London.

12 Bangladesh Foreign Minister Kamal Hossain visits Brussels (see page 18).

13 Commission President François-Xavier Ortoli addresses the annual conference of the Association of European Journalists in Mainz, Germany.

13 Commission meets with Italian Confederation of Business (Confindustria) to discuss re-establishment of stable economy and balance of payments equilibrium.

14 EC heads of government and Commission President François-Xavier Ortoli meet in Paris (see *European Community* No. 180, page 3).

15-22 Safe Farming Week in Europe (see page 20).

16 Finance ministers meet in Brussels (see page 20).

17-20 Council meets in Brussels to discuss emergency agricultural measures (see pages 7 and 20).

17 Council agrees to "defreeze" association agreement with Greece (see page 19).

17 Council meets in Brussels to discuss common energy policy (see page 21).

18 US Assistant Secretary of Agriculture Clayton Yeutter visits Brussels (see page 17).

19 Agricultural ministers meet in Brussels to discuss sugar.

19-20 Turkish Foreign Minister Turan Gunes visits Brussels (see page 18).

23-26 European Parliament holds plenary session in Strasbourg, France, and discusses agricultural "crisis" (see page 6), EC-Greece relations (see page 19), energy policy (see page 21), and transport policy.

24-26 Commission-sponsored conference on iron and steel pollution is held in Luxembourg.

24-25 Commission Vice President Christopher Soames meets with Association of South East Asian Nations (ASEAN) ministers in Djakarta (see page 18).

25 Commission Vice President Carlo Scarascia-Mugnozza addresses European Parliament on common transport policy.

25 Commission approves credits to help finance retraining 7,458 workers following shutdown of German plant.

25 Commission adopts draft proposal for advisory committee for freedom of establishment for doctors.

26 Commission President François-Xavier Ortoli addresses Inter-Alpha Group of Banks, New York (see page 17).

27 Commission Vice President Henri Simonet holds press conference in Brussels (see page 18).

30 Princess Beatrix and Prince Claus of The Netherlands pay working visit to the Commission in Brussels.

Europe Update

"AN ESSENTIAL BREAKTHROUGH" were UN Secretary General Kurt Waldheim's words, at an October 14 New York press conference, to describe the European Community's contribution to the UN special fund for developing countries hardest hit by rising food and oil prices. The $150 million in immediate EC aid was decided October 3 by the EC Council (see page 5).

THE WORLD FOOD CONFERENCE (see page 3) was expected to hear a united voice from the nine EC member countries through French Agriculture Minister Christian Bonnet, in his role as EC Council President. On October 15, the Council formulated a common stand on increased farm production in developing countries, a world food alert system, coordination of storage plans, food aid, agricultural trade, and follow-up to the food conference. Meanwhile, the Community began efforts to meet India's request for one million tons of cereal to head off widespread famine.

A MOSCOW VISIT INVITATION to EC Commission President Francois-Xavier Ortoli is under study by the Community. The invitation, issued by Nikolai Fadeyev, Secretary General of the Council for Mutual Economic Assistance (Comecon), marks the latest in a series of Comecon approaches for relations with the Community (see European Community No. 170, page 18).

A EUROPEAN POLITICAL WILL must be confirmed, according to French Foreign Minister Jean Sauvagnargues, in order to maintain the Community's achievements. Speaking to the French National Assembly's Foreign Affairs Committee October 10, the EC Council President in Office said economic and political cooperation must proceed simultaneously, to move from the European Economic Community to European Union. France's position on energy policy, he said, "can be summarized in one formula: reduction of consumption and long-term solidarity among the producer and consumer countries." At an October 15 EC Council meeting in Luxembourg, Sauvagnargues said the proposed 12-nation oil consumers group could conflict with efforts to create a common EC energy policy. France has not yet decided whether to join the group of the eight other EC countries, the United States, Canada, Japan, and possibly Norway.

FLOATING A LOAN to help EC countries cover their oil deficits was agreed upon by the EC Council October 21 (see page 14). Next year the Community will be able to borrow up to $3 billion from oil-producing countries to relend to EC countries with payments deficits. The loans will be guaranteed by the nine EC countries collectively. Recipients will be decided on a case-by-case basis, although Italy is expected to be the first to take advantage.

UN OBSERVER STATUS enabling the European Community to participate in the UN General Assembly's sessions and committee work was unanimously approved by the Assembly October 11. This followed a request by France's Louis de Guiringaud, speaking as the representative of the country now holding the EC Council presidency. Guiringaud noted the Community's achievements in trade, common policies, and development aid and added: "European economic unity, which was established in order to put a final end to war in Europe, cannot but serve to maintain peace and international equilibrium."

US AND EC TECHNICAL EXPERTS met in Brussels October 15-16 to discuss nontariff trade barriers in the industrial sector. The exchange of views, a technical-level follow-up to regular semi-annual US-EC consultations, covered public procurement policies and industrial standards for environmental protection.

Recent Books

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

The Management of Interdependence: A Preliminary View. By Miriam Camps. Council on Foreign Relations, Inc., New York, 1974. 104 pages with notes and appendix. $2.50.

An essay contemplating the future direction of the international system—the central relationships among states and other transnational actors, and the effects of international or transnational institutions on these relationships.

The author, who has many studies on European integration to her credit, poses a set of questions about "the kind of international system we should be seeking to nudge things toward" during the next decade. Her special concern is with the institutions—not only the formal structure, but also the informal rules, practices, and associations—that will be necessary to manage the particularly difficult relationships stemming from increasing interdependence among modernized and modernizing societies.

The Euro-bond Market: Function and Structure. By Yoon S. Park. Praeger Publishers, New York, 1974. 179 pages with appendices, notes, bibliography, and index. $16.50.

A study of the "Euro-market" in general and the Eurobond market in particular—for the banker, the businessman, and the academician.

The book describes the structure of the Eurobond market and, especially, the financing activities of US firms in the Eurobond market since 1965. In investigating the Eurobond market, the author focuses on the wide spectrum of sub-markets which, during the past decade, have sprung from the international financial market called the "Euro-market." He takes note of the close relationship of the Eurobond market to other Euro-markets, particularly the Euro-dollar market, the medium-term Euro-credit market, and the Euro-equity market. In addition, due to their emerging importance in the Euro-market, both the Asia-dollar market and the London dollar certificate of deposit (CD) are considered.

A History of the British Economy: 1086-1970. By Brian Murphy. Longman Group Limited, London, 1973. 817 pages with reading list, index, graphs, and tables. $13.50.

A comprehensive study of British economic history from the end of the Eleventh Century to the present.

The author divides the book into two parts and eleven individual time periods. He examines in each such topics as demography, agriculture, industry, foreign trade, transport, banking, and state economic activity. He achieves a comprehensive economic history readable to the non-economist while maintaining a sufficiently economic approach. Numerous graphs and tables are included.

Gambetta and the Making of the Third Republic. By J.P.T. Bury. Longman, Inc., New York, 1974. 499 pages with appendix, maps, notes, bibliography, and index. $23.50.

A political biography of Leon Gambetta, particularly his role in the seven years crucial to the making of the French Third Republic.

The book delves into the intricacies of French politics during the latter part of the Nineteenth Century. Chronologically, from 1871 to 1877, the author deals with the evolution of Gambetta's political role—as an opposition leader, in securing support for the Republican constitution of 1875, and in defeating the forces of the Monarchist Right in the "Seize Mai" crisis that threatened the Republic in 1877.

The New Europe and the United States: Partners or Rivals. Edited by Gerhard Mally. Published for the Atlantic Council of the United States. Lexington Books, Lexington, Massachusetts, Toronto, and London, 1974. 463 pages with appendices and index. $17.50.

A collection of addresses, articles, and essays by both Europeans and Americans on the diplomatic, economic, and security issues of the Atlantic partnership.

The book is designed, in the words of the editor, "as a tribune for the intercontinental dialogue between the New Europe and the United States." The articles are divided into three sections: "The Politics of Atlantic Relationships," "The Economics of Interdependence," and "Security Aspects of East-West Relations." Many of the articles by prominent Europeans and Americans are original speeches or reprints from *European Community,* appearing in book form for the first time. A foreward is provided by Henry H. Fowler.

Banking in Europe: The Challenge of Britain's Entry into the EEC. Robin Hutton and Sidney Wild, The Institute of Bankers, London, 1973. 30 pages.

The Ernest Sykes Memorial Lectures, delivered at the Library of the Institute of Bankers, London, in November 1973.

Robin Hutton, Director of Banking Insurance and Financial Institutions in the European Commission in Brussels, discusses "Banking in the EEC—the Background to Current Developments." Sidney Wild, Director and Deputy Chief Executive of the National Westminster Bank, discusses "The Prospects for British Banking in the EEC."

European Competition Policy: Essays of the Leiden Working Group on Cartel Problems. Edited by The Europa Institute of the University of Leiden. A. W. Sijthoff, Leiden, 1973. 265 pages with bibliography and index.

A critical compilation of essays on EC competition policy, Commission decisions, and Court of Justice rulings.

The included essays critically examine cartel dynamics, restrictive agreements, exclusive agencies, concerted practices, selling organizations, joint ventures, and Common Market Treaty Articles 85, 86, and 90. Comparisons are made with US legislation on competition, particularly the Sherman Antitrust Act. A foreward is provided by H. H. Maas, University of Leiden professor of law of international organizations, which gives a background of the Leiden working group.

Energy in Europe: The Importance of Coal. A report by CEPCEO, National Coal Board, London, 1974. 48 pages with tables and appendices. Free.

A Report by the Association of Coal Producers of the European Community.

The report focuses on the Community's proposal of "a comprehensive Community program on alternative sources of energy" which would "promote a diversification of supplies by developing existing resources, accelerating research in new sources of energy, and creating new capacities of production." The report analyzes recent developments in the world energy market, examines likely future trends and the implications for Western Europe, and indicates the energy policy framework which the coal producers regard as essential if energy supplies to the Community are to be safeguarded.

Publications Available

TEACHING AIDS

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

THE FACTS. European Community Information Service, Washington, 1974, 32 pages . . . . Free, available in bulk
New edition of a basic brochure on the European Community. Explains why the Community was founded, its enlargement, and how its institutions work. Describes existing policies, movement toward full economic integration, political union, relations with the world, and future tasks. Also contains a chronology of important events in Community affairs since 1946 and a selected bibliography.

THE COMMUNITY OIL SECTOR MEDIUM-TERM FORECAST AND GUIDELINES. Commission of the European Communities, Brussels, 1972, 87 pages $2.00
Printed version of a study previously available in a limited mimeographed form. Discusses the supply, market, and industrial characteristics of the industry. Includes annexes on consumption prospects, available oil resources, maritime transport, refining, distribution, and financial data on the oil industry. Most forecasts are for 1980.

PROBLEMS, RESOURCES AND NECESSARY PROGRESS IN COMMUNITY ENERGY POLICY 1975-1985. Commission of the European Communities, Brussels, 1972, 54 pages $2.00
Printed version of policy papers previously available in a limited mimeographed form. Outlines prospects for energy demand and availability and means of action to deal with the general and specific problems of each energy sector.

STATISTICAL YEARBOOK OF THE A.A.S.M. 1973. Statistical Office of the European Communities, Luxembourg, 1974, 262 pages . . . . free
General statistics on the Associated African and Malagasy States (AASM)—Senegal, Mali, Mauritania, Niger, Chad, Upper Volta, Ivory Coast, Togo, Dahomey, Cameron, Central African Republic, Gabon, Congo (D.R.), Zaire, Rwanda, Burundi, Somalia, Madagascar, Mauritius. Includes data on population, employment, health, education, national accounts, agriculture, energy, industrial production, transport, foreign trade, prices, salaries, public finance, and the status of the European Development Fund from 1958 through January 1, 1972.

ENERGY STATISTICS YEARBOOK 1969-1972. Statistical Office of the European Communities, Luxembourg, 1973, 288 pages $5.00
Detailed data on coal, petroleum, gas, electrical energy, nuclear power plants, and nuclear fuels. Includes data on production, consumption, trade, and prices. Figures are given by country with totals for both the Community of Six and Nine.

EUROPEAN INVESTMENT BANK ANNUAL REPORT 1973. European Investment Bank, Luxembourg, April 1974, 72 pages . . . . free
Describes the bank's loans, guarantees, and equity in 1973. Includes the balance sheet and profit and loss account. Covers the bank's activities under association agreements with Greece, Turkey, and 19 African countries, and in certain overseas countries and territories.

SHOP-FLOOR TRADE UNIONISM IN WESTERN EUROPE. Anthony Carew, European Community Information Service, London, 1974, 5 pages . . . . free
Discusses in-plant union organization and worker representation.

THE ECONOMIC IMPACT OF IMMIGRANT WORKERS IN WESTERN EUROPE. Stephen Drewer, European Community Information Service, London, 1974, 4 pages . . . . free
Outlines the structure of immigration and the impact of immigrant workers on wages, productivity, inflation, and balance of payments.

EUROPE'S FRONTIER REGIONS. Jean-Louis Smith, European Community Information Service, London, 1974, 5 pages . . . . free
Brief historical look at the political and economic factors affecting the development of frontier regions.

ENERGY IN THE EEC. John Bradbeer, European Community Information Service, London, 1974, 4 pages . . . . free
Brief discussion of the supply and consumption of oil, coal, gas, and nuclear energy, and Europe's energy problems.

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