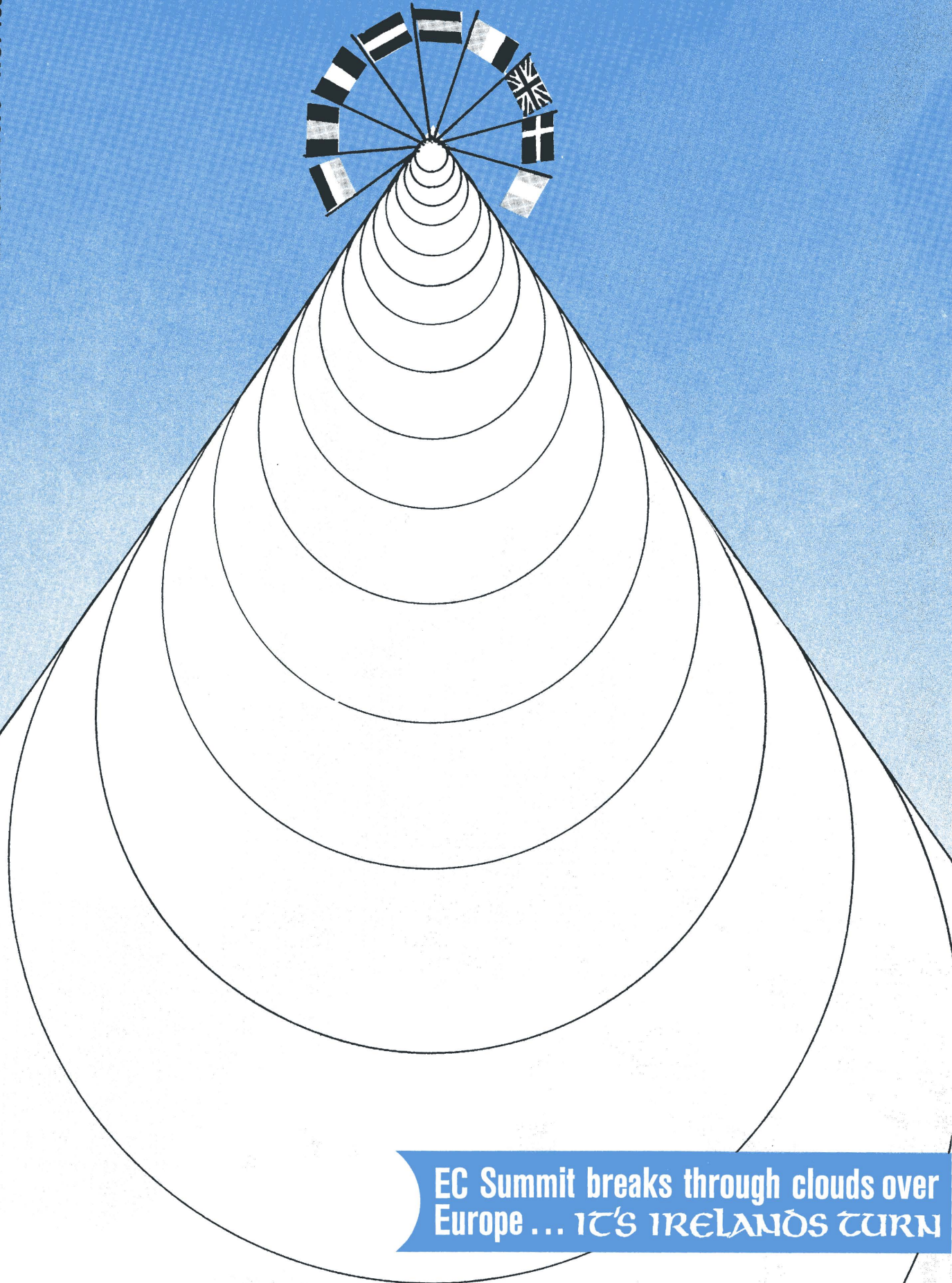


# WORLDWIDE

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EC Summit breaks through clouds over Europe ... IT'S IRELAND'S TURN

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# A New Year, a New President

## **EC Council President Hopes to "Advance Perceptively the European Cause"**

**GARRET FITZGERALD**, *Ireland's Minister for Foreign Affairs*

More fortunate than Denmark, which had to undertake the EC Council presidency after only six months of Community membership, Ireland has had two years in which to prepare for this responsibility. Nevertheless for a small country, whose diplomatic staff at home and abroad numbers less than 200, the undertaking is a formidable one. All the more formidable because of the rapid development of the political cooperation process which, owing to its intergovernmental character, is serviced not by the Council secretariat but by the staff of the country holding the presidency, working from their own capital.

The ability of any country, and especially a small one, to achieve significant results within a six-month period as a result of initiatives taken during these six months, is clearly limited. The decision-making process of the Community—supranational in the case of strictly Community matters and intergovernmental in relation to political matters—is complex and therefore necessarily long. Actions initiated in one presidency almost inevitably bear fruit in another. Moreover, no amount of effort or preparation by the presidency can achieve results if the Community is going through a bad period—a period in which decisions are blocked as a result of political differences between member states or perhaps because of imminent elections in one or more countries, in which impending Community decisions may be potentially controversial issues.

For all these reasons it is best that a country about to undertake the presidency should not be too optimistic about the results it hopes to attain during its six months in the chair. But it is equally important that each country should bring to its period of

*Irish Foreign Minister Garret Fitzgerald addresses the National Press Club during his 1974 visit to Washington.*



office a clear idea of what it would like to achieve, and that it should make the preparations necessary to pave the way for achieving them. Ireland's presidency comes immediately after a "summit" meeting of heads of government in Paris [see page 5] which has been successful in a number of important respects, for example: the firm agreement on an economic reliance in Europe, to be led by the surplus countries; the decision at last to institute the regional development fund; the decision to work toward a 1978 target for direct elections and more legislative powers for the European Parliament; the appointment of Belgian Prime Minister Leo Tindemans to prepare a report on European union, and an important initiative in relation to the question of continued British membership. Such a body of constructive decisions is in marked contrast to the negligible results which emerged from the ill-prepared 1973 Copenhagen summit. In contrast to the 1972 Paris summit, it does not impose an unmanageable burden of follow-up action on the Community institutions. These are good auguries for a presidency.

### **TO CARRY THROUGH**

One of Ireland's most important tasks will, of course, be to take the necessary initiatives to ensure that the economic recovery now being planned is carried through successfully. It was the view of the heads of government in Paris, that this would require a careful monitoring of economic developments in the immediate future, close cooperation with the United States to ensure a coordinated policy on both sides of the Atlantic, and, possibly, another meeting of heads of government within a couple of months to review the position and take any necessary additional decisions. This could mean holding another heads of government meeting, this time in Dublin, and a good deal sooner than had hitherto been envisaged as likely.

Another decision of the Paris meeting of heads of government whose immediate implementation will be the responsibility of the Irish presidency is the establishment of a regional fund. The necessary Community legislation to give effect to this decision must be quickly prepared and speedily put into effect. Ireland's own interests, as well as its presidential responsibilities, are involved here, and in cooperation with the Commission, early action will be undertaken in this matter.

### **VISIT TO THE UNITED STATES**

In the external forum the presidency has a significant role to play acting as spokesman for the Community in many of its relations with the rest of the world. In more purely economic and trade matters it is the Commission, rather than the presidency, which normally undertakes this task, but even in these matters the presidency has an active part—as for example in the negotiations with the African, Caribbean, and Pacific

countries, which are now drawing to a conclusion.

In the political cooperation sphere, however, the external representation of the member states acting together falls exclusively to the presidency. This is true, for example, of crisis situations when the Nine wish to react as a unit, as was the case for example during the Cyprus crisis last summer. It is also true of such matters as the manner of the organization of the Euro-Arab dialogue.

The presidency is also responsible for operating consultation and information arrangements with countries outside the Community with which the Community is closely linked—links with the United States being especially important in this respect. The foreign ministers of the nine EC member countries agreed at Gymnich in Germany last April on procedures for this, and it will be my task during the Irish presidency to carry out these arrangements which are of great importance to the transatlantic relationship.

At the same time it should be noted that the relationship between EC member states and the United States is not confined to this channel—on the contrary. Thus, matters relating to the world energy crisis are handled through the International Energy Agency, of which eight EC member countries are members and in which the EC Commission has an observer role. Again the problems connected with the recycling of petrodollars are discussed between six Community countries and the United States, Japan, Canada, and Sweden in the “group of ten.”

Nevertheless, the presidency remains generally responsible for ensuring good relations between the Community and the United States. My visit to Washington on January 8 to meet Secretary of State Henry A. Kissinger at his invitation, apart from its importance in bilateral Irish-US relations, is a recognition of this.

Ireland also has a particular interest in the successful conclusion of the British “renegotiation,” for a British decision to leave the Community would pose great problems for Ireland owing to the close economic link between the two countries. Ireland would remain in the Community in these circumstances, but it would have to face a considerable economic upset, which it is concerned to avoid if at all possible. At the same time it would not be in Ireland’s interests to allow the common agricultural policy to be changed in any fundamental way as a price for continued British membership. Thus the interests of my country require the finding of a balanced solution to Britain’s problems, and this ensures that we shall tackle vigorously our presidential responsibilities in relation to the question of continued British membership.

Given the complex process by which Community decisions are taken, and the timetable envisaged for the evolution of the European Parliament, there may not be dramatic developments about direct elections or about the extension of Parliament’s

legislative powers within the period of the Irish presidency. At the same time, given the strong Irish interest in this matter—it was the Irish Prime Minister who at the Paris meeting proposed that the target date for direct elections be brought forward to 1978, two years earlier than even the Parliament itself was contemplating—Ireland will in its term of office do anything it can to ensure the process of preparation for these fundamental changes in the Community system be initiated as rapidly as possible.

But even within the existing system there is room for a closer relationship between the Council of Ministers and Parliament. As Council president I hope to spend more time in Parliament than has perhaps been possible for some of my predecessors and to undertake with Parliament an open and informal dialogue. Indeed, I had the opportunity to initiate this dialogue, even in advance of my presidency, as a result of an invitation from the French presidency to present a report on the Paris meeting to Parliament when French Foreign Minister Jean Sauvagnargues himself was unable to go to Luxembourg.

#### **NEW IMPETUS AND STYLE**

I also intend to seek an especially close working relationship with the Commission. Accordingly I took the initiative of arranging several meetings with the Commission before and in the early weeks of the Irish presidency, so as to ensure the closest coordination of work of Commission and Council.

As part of a general attempt to give a new impetus and style to the presidency, I am also taking steps to secure a closer and more effective relationship with the media. Toward this end I have already met representatives of journalists working in Brussels. Better briefing of the press before and after Council meetings could help ensure a fuller understanding among the peoples of the Community of what its institutions are trying to do on their behalf and might help avoid an excessively national interpretation of Community developments in individual member countries’ media. At the same time, I would hope during my presidency to have the opportunity to address audiences in different EC countries on current issues and on the Community’s possible future development.

Over the past two years Ireland has increased by one-third the strength of its diplomatic corps, and, in preparing for the EC presidency, has selected well in advance as many as possible of the civil servants and others who will have to chair 190 committees and working groups, and has organized seminars and courses to prepare these officials for their tasks. I myself have sought advice from people with past experience of the presidency and from all kinds of people concerned with European integration.

In carrying out our various presidential functions, I hope to advance perceptibly the European cause during the first half of 1975.

# At the "Summit"

*Some bright spots in partly Cloudy Forecast for Europe*

**RICHARD C. LONGWORTH**, *European diplomatic correspondent for United Press International*

When the European "summit" meeting opened in Paris December 9, Jean Monnet was on the outside shouting in. A small band of his supporters from the European Movement, no more than 40 or 50 of them, gathered in the grey December afternoon beside the Seine to wave green-and-white banners proclaiming the need for a true European government and to chant decorously at the black Citroëns bearing the leaders to their labors in the Quai d'Orsay across the street. For a while, the grand old man of European unity joined them. Then, fatigued by his 86 years or the weather or the irony of the thing, he left. Beethoven's "Ode to Joy," once chosen as the European anthem in a now-forgotten contest, murmured steadily from a sound truck in decibels too timid to breach the stone walls opposite. Such was the condition of European unity, *anno* 1974.

Twenty-four years previously, Robert Schuman had risen in the clock room of the Quai d'Orsay to propose the "Schuman Plan" that launched the European Community. Consciously or not, French President Valéry Giscard d'Estaing chose this same chamber for the opening of the meeting. (It was, in fact, a movable summit, shuffling between the Foreign Ministry and Giscard's Elysée Palace.)

With Giscard around the oval table were the prime ministers and foreign ministers of the nine EC countries, plus EC Commission President François-Xavier Ortoli. Most of the faces were new, at least in their current eminence. Of the nine heads of government, six had taken over since the Copenhagen summit one year before. A seventh, Denmark's Pøul Hartling, headed a lame-duck government. Some, like Italy's Aldo Moro, had led earlier governments and would, no doubt, lead future ones. Of all the conferees, only Ortoli, just appointed for another two years,

knew who would be signing his paycheck a year hence. It was not a condition suited to long-range planning.

Never mind. The summitteers had come to discuss big issues. The agenda listed five main topics—inflation, unemployment, energy, political cooperation, and the old problem of a regional fund. British Prime Minister Harold Wilson insisted on a sixth—renegotiation of Britain's EC entry terms, specifically its share of the Community's budget—and so it was added.

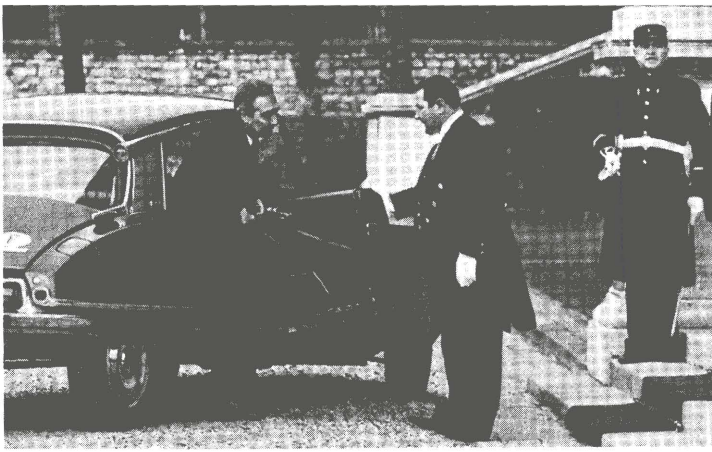
## NOT A FAILURE

Yet, when the meeting ended the next evening, Belgian Prime Minister Leo Tindemans reported "small results from a small summit" with no tone of regret or lost opportunities. Progress was made on questions of renegotiation and regional policy. Long-sought political goals, such as direct elections to the European Parliament, were agreed but in terms so ambiguous that any celebration was premature. The summit agreed that unemployment is a more serious problem than inflation—a verdict more likely to encourage inflation than to discourage unemployment. No unified action was mapped; indeed, the situations of the "Nine" differ so drastically that none was advisable or even possible. Instead, Giscard was mandated to tell US President Gerald R. Ford that Europeans plan a gingerly approach to converging economic problems and want America to do likewise. On energy, nothing concrete was accomplished.

Yet the summit was not a failure. Most persons had expected even less, for a variety of reasons. One reason was history. The 1972 Paris summit charted a detailed path to "European union" by 1980. Most of this ambitious and grandiose plan lies in tatters now, and the 1980 deadline, if mentioned at all, is done

*Supporters of European unity gather by the Seine as the EC heads of government arrive at the Quai d'Orsay across the street to open the "summit."*





Arriving at the "summit," EC Commission President François-Xavier Ortoli . . .  
. . . British Prime Minister Harold Wilson . . .



. . . German Chancellor Helmut Schmidt . . .  
. . . and the summit's host, French President Valéry Giscard d'Estaing.



so with embarrassment. The leaders, thus wary of over-planning, fell to the other extreme at the Copenhagen summit of 1973: a shortage of preparation and a surplus of Arab interlopers produced a fiasco. It's sole agreement—that the Nine should frame energy and regional policies by the end of 1973—fell apart within a week. Planning for the 1974 summit, therefore, was careful but modest.

Another reason was the fact that no one but Giscard really wanted the summit. The others, twice bitten, in 1972 and 1973, preferred to skip the exercise. Germany, which held the Council presidency in the first half of the year, passed up the prestige of hosting a summit rather than expose the disunity among the Nine. But Giscard, the current Council president, insisted. When Italy and Ireland insisted on a regional fund as the prerequisite for the summit, Giscard played rough: he ordered his spokesman to announce that Rome and Dublin had approved the summit, leaving it to those two nations to say it wasn't so. In the end, they got a regional fund of sorts, and the eight trooped grudgingly to Giscard's table.

The third and most compelling reason surfaced during the month of preparations by foreign ministers. It was the realization that Europe, which had squandered opportunities for unity in good times, was in no state to agree on anything new or decisive now that bad times had arrived. An instinct for survival and the avoidance of *saute qui peut* was the most to be hoped for. And this was what was achieved. It was, most felt, no bad thing.

The Nine, if not agreed on the need for the summit, knew what they wanted from it. In most cases, these wants were unmatched and contradictory. Eight of them wanted France to join with them, the United States, and other industrial nations in the International Energy Agency (IEA), set up in Paris a month earlier. France wanted endorsement for its own idea of a tripartite energy conference of oil-users, oil-producers, and underdeveloped nations. Italy and Ireland, as noted, wanted a regional fund to funnel money to their depressed regions. Britain wanted a chunk of this fund, plus recognition that something must be done to keep it from paying a disproportionate share into the EC budget. (On summit's eve, Wilson delivered the quid pro quo demanded by the others—that, if renegotiation goes well, he will recommend a "yes" vote in the referendum on continued British membership.) Most of the countries, facing unemployment rates rising toward the political-peril point of 4 per cent and beyond, wanted Germany to stop concentrating on inflation and join a campaign against joblessness and recession.

Germany's Helmut Schmidt, always a wary European, seemed most interested in eluding more commitments that would cost Bonn money. As it turned out, though, Schmidt dominated the summit, just as Germany, by design or events, is having the leadership of Europe thrust upon it. Giscard proposed political progress—direct elections to the European Parliament and an end to the veto on most issues before the Council—that must

have stirred tremors beneath the Gaullist gravestone at Colombey. But too many ships have been missed over the years and, this time, France's partners were hesitant. The turn-about in French policy on political union excited surprisingly little comment. In December 1974 it seemed somehow irrelevant.

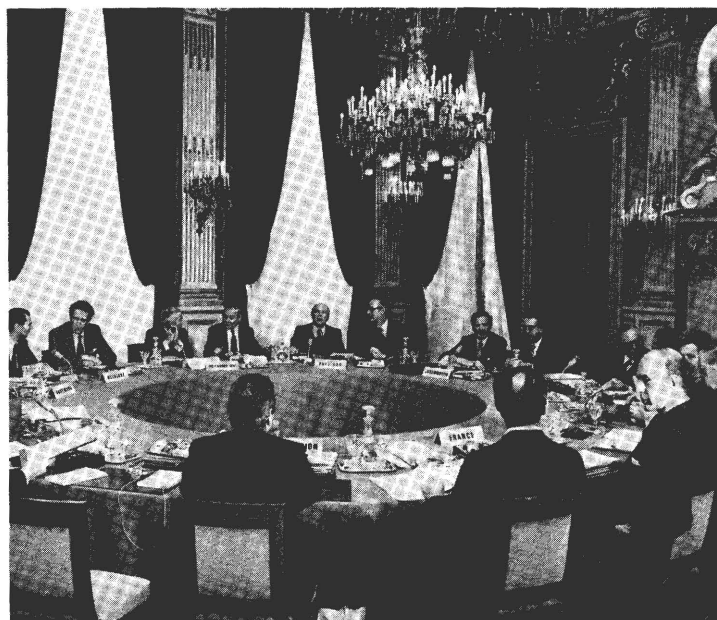
The summit's major result may have been the abandonment of any pretense that Europe stands alone and independent from the United States. French officials conceded that Giscard wanted the summit partly to impress Ford at their Martinique meeting later that week. At the oval table and over dinner at the Elysée, Schmidt regaled his colleagues with tales of his trip to Washington the previous week. What he told them about growing unemployment, looming depression, and enfeebled dollar, and Ford's apparent unwillingness to abandon a deflationary policy depressed the summitters so profoundly that they devoted much of their time to discussing how to change Ford's mind. There was open recognition that European recovery is linked to recovery across the Atlantic, indeed, that an American depression would suck Europe into a similar slump, as the sinking of a great liner sucks in the smaller boats around it.

Other results from the summit include more summits. They will be institutionalized, with three per year, to be called not summits but "Councils of the Communities." The leaders said the veto need not be used on "all questions" any more but did not say when it will be retained. They asked the European Parliament to propose by 1976 a plan for direct elections, which "could take place" by 1978. (Here, both Britain and Denmark demurred.) And they suggested the possibility of a "European passport."

The summit instituted a regional policy, worth \$1.56 billion over three years—half the amount originally proposed by the Commission, even less if inflation is considered. Italy will get 40 per cent, Ireland 6 per cent, Britain 28 per cent, with the rest scattered, via the "watering can" formula, among the other six.

Bowing stiffly to Britain's request, the summit told the Commission to find a formula to ease Britain's budget contributions. The conclusion was foregone, but the reaching of it provided the summit's only drama. At one point on the first day, Giscard refused to change EC rules to accommodate the British request, and Wilson replied, "If what you say, Mr. President, is to be the definitive view of the Community, then I see no hope whatsoever of successful negotiation." At least, that is what Wilson's spokesman, speaking slowly enough for the most arthritic reporter to write every word, said he said, to make the early editions in London in plenty of time. As Wilson knows, there are still British votes to be won from cocking a snoot at Continentals.

The budget debate went on for hours and left no time for progress, or even much talk, on energy. Some delegations hinted darkly that Giscard knew that agreement was impossible and so strung out his duel with Wilson to an hour, decently close to



*Time to move forward again, as the "summit" convenes in the Quai d'Orsay's clock room, the same room in which Robert Schuman had risen 24 years earlier to propose the "Schuman Plan" that launched the European Community.*

midnight, when quits could be called. The French, who otherwise treated the press like peasants, made amends with a brawny buffet of hams, patés, cheeses, and wines. A French spokesman interrupted this blowout with the news that the budget issue was resolved and the end was in sight. "Energy, energy, energy?" The newsmen asked in unison. The Frenchman chuckled and left, and the issue was delegated to Giscard and Ford to hash out on Martinique.

The summit sent Europe into the cauldron of 1975 with little more protection than the Nine's promise to avoid undercutting and gouging each other in the struggle for survival. There was a common recognition that, if 1974 was bad, 1975 will be worse, and could bring real political violence in the train of economic collapse: hence, the emphasis on avoiding depression.

Implicit in this recognition was the scary thought that European democracy is in danger and that it is time for Europeans, if not to unify, at least to cling to one another for dear life. If the Nine do stick together and if, by so doing, they escape the worst, then the Community, so maligned of late, will have justified itself.

And what of the true unity for which Jean Monnet demonstrated as the summit began? Well, the Nine agreed both that "European union" is a good thing and that they have only vague ideas what it means. Belgium's Tindemans was deputed to give a good shaking to the outline for union drawn up by the 1972 summit, toss out the pipe dreams, and report back by the end of 1975 on the prospects for more realistic progress. And then? The summitters wisely made no promises.

# Soames Visits Washington

## US-EC Talks Cover Trade, Energy, Agriculture, and the Economic Situation

The first statesman, in the words of US Secretary of State Henry A. Kissinger, to call for a united Europe was Sir Winston Churchill. A century after Churchill's birth, his son-in-law Sir Christopher Soames was telling Kissinger what a uniting Europe wanted in foreign affairs.

Quick Congressional passage of the US Trade Reform Bill was the message that Soames, EC Commission Vice President responsible for external relations, brought to Washington, for the ninth and latest round in the regular, semi-annual, high-level US-EC consultations. Soames' December 5-7 Washington visit also coincided with the centenary celebration of Churchill's birth, at which Kissinger made his remarks.

Enacting the trade bill was an essential prerequisite, Soames said, for the upcoming world trade talks within the General Agreement on Tariffs and Trade (GATT): "It was always understood that these negotiations would not get off the ground unless all the participating countries had the authority to negotiate," Soames said at a joint State Department press briefing with Deputy Secretary Robert S. Ingersoll. Later in the month, on the last day before the Christmas recess, Congress finally passed the bill.

The GATT negotiations, now expected to get seriously underway with the new year, "have substantive importance, to update our trading system to meet the needs of the Seventies and Eighties, and to continue movement toward liberalization of

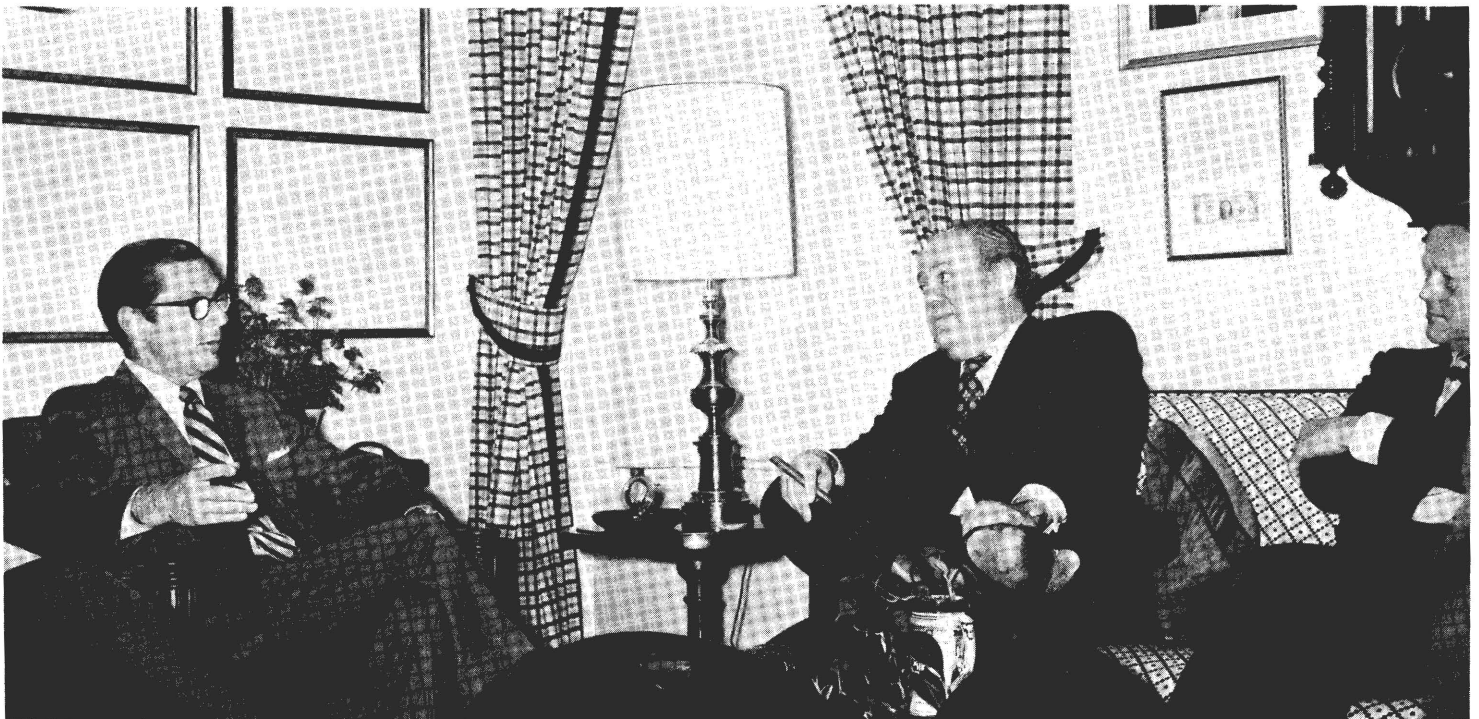
world trade, on which so much prosperity and growth in recent decades has been founded," Soames said.

### COMMON ENERGY AND FOOD INTERESTS

During his Washington visit, Soames had discussions with Kissinger, Treasury Secretary William E. Simon, Agriculture Secretary Earl L. Butz, White House Chief of Staff Donald Rumsfeld, and White House Economic Advisor William Seidman, plus a working breakfast with several Congressmen. Beside trade, they discussed the US and EC economic situations, EC affairs, energy, relations with third countries, and the agricultural outlook.

Soames emphasized the need for a common energy policy among the major consuming countries, especially in three areas: conservation of resources, development of new energy sources, and measures to deal with emergencies. In answer to a question at the State Department news conference, Soames previewed the US-French meeting in Martinique (see page 12) by saying that the French view of the energy problem was not as different as was often thought from that of the 16 other major oil-importing countries of the newly formed international energy agency (including the United States and eight of the nine EC countries). He added: "All of us share the French view that a dialogue with the producer countries is essential."

Soames spoke of the need for a "triangular recycling" of



US Treasury Secretary William E. Simon (left) meets with EC Commission Vice President Christopher Soames and EC Delegation Head Jens Otto Krag during Soames' Washington visit.





Sir Christopher Soames fields questions from the European press corps in Washington. petrodollars, with absorption by industrialized countries, developing countries, and the oil-producing countries themselves. The problem, he noted, would have been vastly different if oil had been produced in large quantities in areas of great population—such as the Indian subcontinent—with a considerable local capacity for spending the money on development and imports.

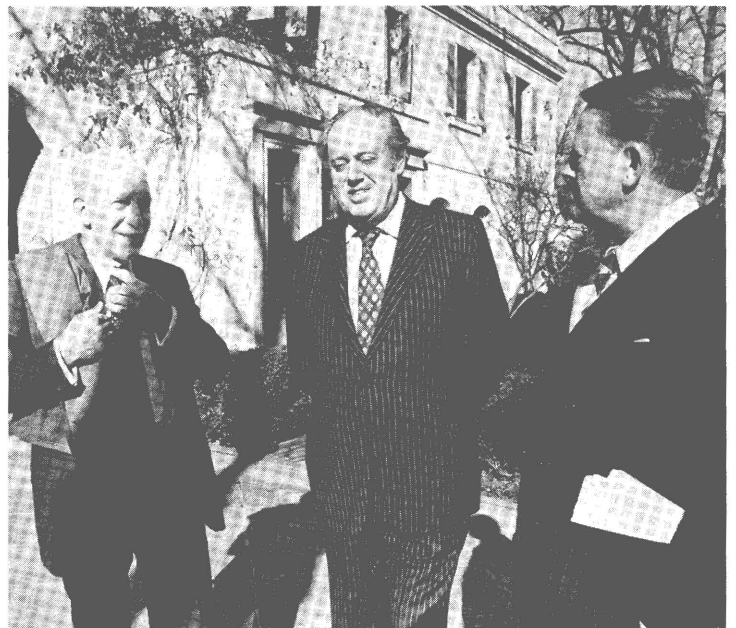
Regarding agriculture and, in particular, the recent Rome Food Conference, Soames said that “the United States and the European Community have many common interests in preserving food supplies, in providing food aid to developing countries, and in helping them grow more food.” Soames’ talks with US officials covered food stockpiling and current shortages of cereals, dairy products, and sugar.

## THE EC “SUMMIT” IN PERSPECTIVE

Putting the upcoming EC “summit” meeting “in perspective” (see page 5), Soames told Martin Agronsky on the Washington public affairs program “Evening Edition” December 5: “The word ‘summit’ was coined, I believe, by my father-in-law Winston Churchill. I think he referred to it first over Yalta—‘We will meet at the summit.’ . . . And this has come to have a certain significance. When you have a summit meeting, half the press of the world turn up to tell all the news and what’s coming out of the summit meeting; everybody’s waiting for it to write up their copy.

“Now where the Community is concerned, I think we want to get away from this concept of a summit meeting because heads of government who carry that specific type of responsibility which only heads of government can carry, of giving that quality of leadership which is very special and very much needed, not only in Europe but in the whole world today, should be meeting to discuss the European affairs which are essential to all of us, fairly regularly, and this oughtn’t be blown up to be a big summit meeting. Just as the foreign ministers meet every month, the agricultural ministers meet every month, so every few months should the prime ministers meet.”

Looking toward the new year, Soames concluded the interview: “1975 is going to be a difficult year, and we’re going to be put before many challenges. But we’ve got to ensure that we stick together and see these challenges out together. We are all interdependent, one upon the other.”



The European Community’s voice in Washington (left to right): Edmund Wellenstein, Commission Director-General for external relations; Christopher Soames, Commission Vice President responsible for external relations; Jens Otto Krag, Head of the Commission’s Delegation to the United States.

# The New, New Europe

## A Look at European Unity, US-EC Relations, and Informing the People

**ANDREW A. MULLIGAN**, director of the European Community Information Service

To Europeans, the building of Europe in some ways has resembled a long session with a one-armed bandit. The servants of the European Community institutions tug away at the slot machine remorselessly in the hope and belief that one day the nine strawberries will come up and Community goodies will shower out, for the benefit of all.

All of us who work for, and passionately believe in, that often obscure concept of European union, can only welcome the admittedly limited achievement of Europe's leaders at the Paris "summit" (see page 5).

The achievements were not an idealistic dream come true. They were practical, common, low-profile solutions aimed at solving the problems facing the industrialized world as a whole and Europe in particular.

### THE ILLUSORY SECURITY OF THE NATION-STATE

The Europe of the "Nine" is only two years old. In the early euphoria of enlargement it was hoped that the new Community would find a new dynamism and move forward. In fact, despite the new blood and a fresh approach from three new members, Europe seemed to tread water for two years.

The very process of enlargement was difficult enough in itself, but the Community coped with characteristic flexibility and aplomb. In the fall of 1973, however, the oil crisis and the accompanying economic crisis shattered hopes that Europe once more would move forward with the same sense of confidence it enjoyed in the days of Jean Monnet and Robert Schuman. The

*"A pragmatic approach to joint problems" at the US-French meeting in Martinique (left to right): US Secretary of State Henry A. Kissinger, US President Gerald R. Ford, and French President Valéry Giscard d'Estaing.*

immediate instinct of a Europe still composed of nation-states was to "laager" themselves in the illusory security of the nation-state.

Complicating matters still further was the fact that not one of the heads of state or government who had led Europe at the Paris summit in 1972 remained in power by the spring of 1974. New men were at the helm of Europe's destiny.

The degree to which Europe's new leaders may be "convinced Europeans" probably differs, but to a man they all face the triple challenge of inflation, recession, and an energy crisis. This may have thrust the leadership together into a new sense of alliance.

So Europe may have moved into a new phase in its development. The weaving together of a European economic tapestry—the noble metier of the early architects of the new Europe—may have been superseded by a tough, pragmatic instinct for survival and the need to live and work together—in Commission Vice President Christopher Soames' words, "to thrash things out."

### THE UNITED STATES, AN ANXIOUS RELATIVE

Watching these traumatic developments in Europe like an anxious relative is the United States—concerned, watchful, and disquiet, and who, despite Europe's internal bickering and the practical difficulty of dealing with nine separate nation-states, has usually acted as Europe's friend and confidant.

A year ago, many problems plagued the relationship between the European Community and the United States. There is now a continuing and mainly successful dialogue, reflected not only in





German Chancellor Helmut Schmidt (left) and US President Gerald R. Ford during "the frenetic Christmas weeks of one of the most intensive periods of diplomatic globe-trotting in recent history."

day-to-day consultation but also in the high-level, six-monthly talks which take place regularly between the United States and the Community (see page 8).

Sensing the historical importance of the frenetic pre-Christmas weeks, world leaders embarked on one of the most intensive periods of diplomatic globe-trotting in recent history. This time the diplomacy seemed to have an unprecedented sense of urgency and realism which helped midwife a seemingly satisfactory summit in Paris and the pragmatic approach to joint problems shown by US President Gerald R. Ford and French President Valéry Giscard d'Estaing at their meeting in Martinique (see page 12).

As the US edition of the magazine *European Community* comes of age—it was first published as the "Bulletin from the European Community for Coal and Steel" in 1954—the Community enters a new phase in its history with caution but in hope.



The first issue of the American edition of European Community, now in its twenty-first year of publication.

Too often in the past Europe has failed to inform either its own people or those people in third countries, who increasingly have to deal with it, of its nature and of its achievements.

### THE HERCULEAN CHALLENGE OF INFORMATION

When I arrived a few months ago in the United States to assume my duties as director of the European Community Information Service, the American immigration official asked me, "What the hell is the European Economic Community?" The gauntlet was thrown. The task is clear.

Europe's friends in America must be informed of our achievements and incidentally our failures. The European Community exists. It has suffered setbacks and disappointments, but it cannot be diverted from the task to bring union and happiness to 250 million people, who constitute the world's largest trading bloc. Whatever happens, the emergent Europe has implications for everyone in the developed and developing world.

United States statesmen often understood the need for European unity better than we Europeans have understood ourselves. Now the time has come to extend this understanding to the American people as a whole. The task is made easier by the sensitivity and sophistication of communications media in the United States. Even so, the task of competing in the great American information race is herculean. But it is a worthwhile challenge.

As we enter 1975, the hope is that Europe will move forward, and that American eyes and ears will focus—not only on our divisions and crises—but, more importantly, on common Community progress.

"A continuing and mainly successful US-EC dialogue, reflected not only in day-to-day consultation but also in the high-level, six-monthly talks," the latest of which brought EC Commission Vice President Christopher Soames (left) to Washington for a meeting with US Treasury Secretary William E. Simon.



# Community News

## US-EC Relations

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### US-French Meeting Hailed by Commission

The "energy compromise" reached between US President Gerald R. Ford and French President Valéry Giscard d'Estaing during their Martinique meeting was hailed by the EC Commission in a December 17 statement:

"The Commission welcomes the identity of views between the French and US presidents on a conference between oil-producing and oil-importing countries. It would be desirable to convene this conference as soon as possible, and its preparatory work should be followed by intensive consultations among consuming countries.

"The Commission has always

stressed the need for this two-way dialogue, underlining that the Community must, in this respect, define and implement immediately the elements of a real common energy policy within the Community.

"The Commission welcomes the fact that the US and EC governments are ready to adopt consistent and effective economic policies in order to fight inflation and unemployment. The Commission also believes that the possibility of adopting market prices as a basis for evaluating gold reserves is a useful factor in the reorganization of the international monetary system."

### Greenwald Reviews Atlantic Relations

Claiming that "adversity is perhaps the best test of friendship," US Ambassador to the European Community Joseph A. Greenwald has called for continued progress in the development of cooperative economic policies within the Atlantic bloc to assure success in meeting the challenges facing "our two great economic powers."

Reviewing the current status of US-EC relations in an article appearing December 10 in the Brussels business journal *Echo de la Bourse*, Greenwald noted that the "primary factors which have brought us closer together in 1974 have been the common perception that we face grave economic dangers which could have political consequences for our free societies, the growing realization that nationalistic attempts to solve our problems would only make them worse, and the habits and techniques we have begun developing to concert our policies."

After 18 months of bickering, the United States and the Community reached agreement on "compensation" for EC enlargement, thereby eliminating a "potentially serious irritant in our relationship," Greenwald said. At the same time, political consultations methods were worked out (the "Gymnich formula") which will keep each side abreast of foreign policy decisions.

The United States and the Community have also shown that they can work well together in a multilateral context, Greenwald said. Besides the ongoing preparations for the upcoming world trade negotiations early next year, the United States and the Community, along with other major industrialized nations, are seeking to establish minimum interest rates on government supported export credits in order to avoid self-defeating competition.

The shift from agricultural sur-

pluses to world shortages has altered the strident tone of past US-EC dialogue in this sector, continued Greenwald. The Community has reduced or eliminated subsidies for poultry, pork, and grains, key American exports to the Community, and the tight supply situation for many commod-

ities has "forced us to consult with each other and coordinate our efforts more closely than in the past," the Ambassador said.

Greenwald concluded his assessment by stressing the consistency of US support for European unity, owing to "deep political, strategic, and cultural roots."

### US Editors Hear EC Agriculture Expert

Pierre Malvé, director of international agricultural affairs in the EC Commission, addressed the American Agricultural Editors Association at a December 4 luncheon in Chicago.

Malvé, special envoy of EC Commissioner Petrus J. Lardinois,

spoke on EC-US relations in the agricultural field, the world food market crisis, problems of hunger, and the need to develop new types of international cooperation. The luncheon was sponsored by the National Soybean Processors Association.

### ECSC Public Loan on American Market

The European Coal and Steel Community (ECSC) is raising \$100 million on the American capital market to help finance vocational training and modernization of coal and steel industries.

A public offering of 8.75 per cent notes priced at 99.25 per cent is being made by an underwriting group managed by Kuhn, Loeb, and Co., the First Boston Corporation, Lazard Freres and Co., and Warburg Paribas Becker Inc. This

is the fifth ECSC public offering made in the United States, the first since 1962, when the now-abolished US interest equalization tax was introduced.

Meanwhile, a ECSC bond issue floated on the German capital market in late November brought the ECSC's international borrowing since its 1952 inception to 2,102.9 million units of account (UA). (One UA equals one 1970 dollar.)

## Energy

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### US-EC Cooperation in New Energy Agency

Eight EC countries—Germany, Belgium, Denmark, Ireland, Italy, Luxembourg, the Netherlands, and the United Kingdom—are members of the International Energy Agency which was set up in the Organization for Economic Cooperation and Development (OECD) November 15. The other members are Austria, Can-

ada, Japan, Spain, Sweden, Switzerland, Turkey, and the United States.

The agency's main task will be to implement an oil-sharing mechanism in the event of an oil crisis. Its other aims are development of an information system, a long-term cooperation program, and promotion of cooperative rela-

tions with oil-producing countries and other oil-consuming nations.

The European Community as such is eligible for membership but no decision has yet been taken on this option. A European Parliament committee has recommended that the Community join.

France, the lone EC country which is not a member, neverthe-

less struck an "energy compromise" during the Martinière meeting between US President Gerald R. Ford and French President Valéry Giscard d'Estaing (see page 12). The chairman of the new agency is a Belgian, Ambassador Viscount Etienne Davignon, who also heads the EC political cooperation committee.

## Council Acts on Common Energy Policy

By 1985 the European Community hopes to reduce its dependence on foreign energy sources to 40-50 per cent of total EC energy consumption. The dependence figure is now 63 per cent.

This target, set by the EC Council of Ministers meeting in Brussels December 17 and acting on Commission guideline proposals came after the Paris "summit's" call for a common energy policy "in the shortest possible time" (see page 5). The next Council meeting on energy, scheduled for February 13, will tackle the detailed means to achieve this target.

Toward the end of less dependence on foreign energy sources, the Council set the following specific targets for meeting the Community's annual energy needs:

- Oil: internal production, 180 million metric tons; imports, 420-540 million tons.

- Coal: production, 180 million MTEP (metric tons equivalent petroleum); imports, 40 million MTEP.

- Natural gas: production, 175-225 million MTEP; imports, 95-115 million MTEP.

- Nuclear energy: production, 160-200 gigawatts.

- Hydraulic and geothermic power: production, 45 million MTEP.

- Lignite and peat: production, 40 MTEP.

The Council also agreed to slow down the growth rate of energy consumption between now and 1985 by 15 per cent.

In addition, the Council adopted a research program for plutonium recycling in light-water reactors, limitations on the use of natural gas in electric power stations, support measures for EC projects in hydrocarbons, and a resolution calling for an EC action program to rationalize energy use.

## Sharp Drop Recorded in Oil Consumption

If the "crisis" atmosphere of the first six months of 1974 would continue, the European Community should have little trouble in meeting its 1985 energy targets. For, according to the EC Commission in reply to a European Parliament question, EC oil consumption fell sharply during the first half of 1974, when the energy crisis was at its worst.

The use of oil dropped by 15.5 per cent in Germany, 9.9 per cent

in Britain, 6.1 per cent in France, and 4.1 per cent in Italy, compared with the first six months of 1973. Oil consumption was cut even more in some of the smaller EC countries—25.7 per cent in Denmark, 19.9 per cent in Belgium, and 16 per cent in Luxembourg.

The Netherlands, which, like the United States, was confronted with the Arab oil embargo, cut consumption by 22.8 per cent. Oil use in Ireland fell by 3.7 per cent.

## External Relations

### Euro-Arab Dialogue Hits PLO Snag

A temporary setback in the developing Euro-Arab dialogue came with EC refusal in November to recognize the Palestine Liberation Movement (PLO).

The first session of a joint committee of the European Community and the Arab League had been scheduled to convene in Paris November 26-28 to discuss priority

short-term activity in preparation for a ministerial-level meeting in the spring. The Arab League had asked that the PLO be represented in the Arab delegation following its de facto recognition by the United Nations, but EC member states were unable to agree on PLO participation in the Euro-Arab meetings.

### Council Allocates UN Emergency Funds

The priority list of countries which are to receive money from the \$120 million set aside by the European Community for the developing countries hardest hit by the oil crisis was agreed to by the EC Council in Brussels, December 3.

These funds are in addition to the \$30 million already given to the United Nations (UN) special fund for the developing countries most severely affected by rising food and oil prices.

The Council decided to allocate the aid as follows: India, \$50 million; Bangladesh, \$22 million; Tanzania, \$9 million; Kenya, \$6 million; Sri Lanka, Mali, and Niger, \$5 million; Madagascar, \$3 million; Honduras, \$3 million; Pakistan, \$3 million; Upper Volta, \$2 million; Chad, \$2 million; Dahomey, \$1 million; Rwanda, \$1 million; Haiti, \$1

million; Senegal, \$1 million, and Somalia, \$1 million.

EC Commissioner Claude Cheysson, responsible for EC development aid policy, officially released the funds during signing ceremonies December 11 at Commission headquarters in Brussels. The final portion of \$350 million out of the total Community pledge of \$500 million is linked to the release of the United States' share of \$500 million, none of which had yet been released. Cheysson noted that the absence of a US response to the UN relief fund was particularly "upsetting." "I don't understand," he added, "why the United States has continued to abstain. Their responsibility exceeds their own contribution." Cheysson also regretted the fact that socialist countries have shown no interest in the UN relief program.

### Portugal Calls for Stronger EC Ties

The future of EC-Portuguese relations focused the November 25-26 meeting in Lisbon of the EC-Portugal Joint Committee, which oversees execution of the EC free trade accord with Portugal.

Financial cooperation, Portuguese migrant workers, and indus-

trial development were among the topics discussed, as Portuguese officials reiterated their hope that future ties will go beyond the current trade agreement on the way to eventual full membership in the Community.

## East-West Europe Trade Accords Preview

The Community recipe for future trade agreements with state-trading countries was outlined by the Council on November 12. It calls for long-term, non-preferential accords, based on reciprocal arrangements—providing equal advantages and obligations.

Each agreement would be tailored to the trading structure of the relevant country and provide mechanisms for handling individual trade problems. The Community foresees granting most-

avored-nation treatment of tariffs.

Although the Common Market will now handle all trade pacts with Eastern Europe for the "Nine," cooperation agreements are still up to the national governments. In the future, however, these too could take on a Community dimension. The Nine have agreed to exchange information as well as to consult on an EC level before signing any such agreements and to provide the details of their yearly implementation.

## Whitlam Meets with EC Commissioners

In the first visit to the EC Commission by an Australian Prime Minister, Gough Whitlam met with Commission President François-Xavier Ortoli, Commission Vice President Christopher Soames, and Commissioner Claude Cheysson in Brussels on December 17.

The talks centered on world economic problems, Australian uranium export and enrichment policies, EC development aid

policy, and the upcoming multilateral negotiations within the General Agreement on Tariffs and Trade (GATT). Both sides agreed to press for an international commodity agreement covering both prices and stockpiling during the GATT talks.

The Australian Prime Minister was scheduled to visit the capitals of all the EC countries, except Denmark and Luxembourg.

## Mediterranean Negotiations Under Way

With the December 3 conclusion of negotiations with Algeria, the EC Commission completed the first round of talks with six countries in its developing Mediterranean policy.

The negotiations with Malta, Algeria, Morocco, Tunisia, Israel, and Spain aim for association agreements that would offer agricultural and industrial concessions, financial aid from the Euro-

pean Investment Bank, and industrial cooperation.

Negotiations with the three Arab countries of the Maghreb appeared the furthest advanced after the first round. The least progress was made in discussions with Spain, and in early December there was still deadlock. The second round of Mediterranean talks began with December 9-10 negotiations with Israel.

## EC-Greek Relations Continue Thaw

The first meeting of the EC-Greece Association Council since April 1967 took place in Brussels December 2. The Greek delegation was led by Panayiotis Papligouras,

Greek Minister for Economic Coordination and Planning.

The meeting marked the resumption of normal relations with Greece, whose EC association

agreement was put into cold storage after the 1967 military coup until the return of democracy this year. The clinching factor was the democratic elections held in Greece November 17.

Already there are some concrete signs of the thaw. The European Investment Bank has been approached to finance Greek projects up to the sums still available under the first financial protocol,

frozen in 1967, and it was agreed to expedite negotiation of a second protocol. The normal terms of validity of certain concessions in the association agreement have been extended pending negotiations of new arrangements. Work is also in progress on harmonizing agricultural policy, one of the aims of the original agreement, and import arrangements for Greek wines.

## Yugoslav Minister Visits Brussels

The most senior Yugoslav official ever to visit the EC Commission, Milos Minic, foreign minister and vice president of the Federal Council, had "cordial" talks with EC Commission President François-Xavier Ortoli and Commission Vice President Christopher Soames, November 22 in Brussels.

The trio reviewed the European Community's 1973 non-preferential trade accord with Yugoslavia and

discussed the EC import ban on beef, Yugoslavia's principal export to the Community (see *European Community* No. 181, pages 6-8).

The possibilities of increased scientific and technological cooperation, especially in the steel and energy fields, were also discussed, as well as the problems of Yugoslav immigrant workers in EC countries (see *European Community* No. 170, pages 7-12).

## EC-Sri Lanka Agreement Expected

The final round of EC negotiations with Sri Lanka on conclusion of a commercial cooperation agreement took place in Brussels on December 5.

Although some of the finishing touches still remained to be done,

these were not expected to prevent final signing of the agreement in January. The accord is modeled on the existing agreement with India, providing for wide-ranging cooperation and trade expansion.

## Latin America-EC Dialogue Continues

The fifth annual meeting between ambassadors of Latin American countries and EC permanent representatives to discuss common problems took place in Brussels December 6.

The Latin Americans expressed particular preoccupation with the Community's suspension of beef and veal imports and stressed their interest in effective EC policies in food aid and United Nations emer-

gency action.

The Community for its part highlighted the progress made in working out a comprehensive EC development cooperation policy, noted the importance which the Community attaches to building up international trade, in particular with developing countries, and stressed the improvements made in the EC generalized preference system for 1975.

## Agriculture

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### Council Reviews Farm Price Proposals

EC Commission proposals for raising farm prices in the European Community during the 1975-76 marketing year were reviewed by the Council of Ministers on December 9-10 in Brussels.

The proposals included raising the guide or target prices for sugar by 16 per cent, soybeans by 12 per cent, table wine by 8 per cent,

dairy products by 10 per cent, pork by 11 per cent, beef by 7 per cent, and hard wheat by 8 per cent. The Council was to meet again on the proposals in January.

About 96 per cent of EC agricultural production is subject to the common agricultural policy's price mechanisms.

### Greece and Turkey Receive EC Vaccine

A million doses of vaccine to combat hoof and mouth disease in Greece and Turkey have been sent by the Community to the United Nations Food and Agriculture Organization (FAO), in accordance with a Commission decision on

November 8.

The Community sent to FAO 250,000 doses in June and will contribute 600,000 units of account (UA) toward the organization's budget. (One UA equals \$1.20635 at current rates.)

### Sugar Receives EC Council Coating

In order to economize on sugar, of which the Community may likely be short this winter, an export tax on processed goods containing more than 35 per cent sugar was introduced by the EC Council of Agricultural Ministers November 19.

At the same time, by authorizing France to distill surplus wine in regions where wine quality has been badly affected by poor weather, the Council provided an

alternative source of industrial alcohol. This move could save 30,000 tons of sugar which would otherwise have been distilled.

The ministers also approved a negotiating mandate for the Commission's talks with developing country sugar producers, from whom the Community has promised to take 1.4 million tons of sugar annually. The duration of the agreement and the price has to be worked out with these countries.

### Committee Investigates Fund Fraud

A special committee of inquiry set up to investigate fraudulent applications to the EC Agricultural Guidance and Guarantee Fund, particularly in the dairy products sector, has recommended that cooperation between national administrations be improved and that

more use be made of modern information techniques, such as computers. A special study of the potential role of computers in detecting fraud has been commissioned.

Each year the Commission uncovers about 15 million units of

account (UA) worth of fraud on the farm fund. But this is feared to be only the tip of the iceberg, and

the European Parliament has assessed the actual amount to be UA 100 million.

## Harmonization

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### Commission Proposes Banking Rules

The first step toward harmonization of banking rules in the Community was taken December 11 when the EC Commission adopted proposals for a framework directive on banking.

The backbone of the draft directive is the requirement that all banks should have a license.

The Commission is also pro-

posing a contract committee on which members of the "Nine's" banking supervisory bodies would sit and help in pan-Community coordination and in drafting further harmonized rules. The committee would also be specifically asked to examine whether common rules on foreign currency trading are required.

### Commission Hopes to Cut Tax Evasion

The EC Commission wants member states to cooperate more in tax evasion cases and to set up a working party to help the "Nine's" tax collectors beat the evaders.

The Commission submitted a resolution on November 21 to

allow for automatic transfer from one country to the next of financial information in possible tax evasion cases, such as companies thought to be transferring profits to the country where it would be least liable for tax.

### Ministers Act on Transport Policy

Agreement was reached by the EC Council of Transport Ministers December 11 on increasing the comparability of railway accounts by 1980, toward greater harmonization of EC railway systems.

The ministers also decided to free the use of combined road-rail

transport by trucks travelling across intra-Community frontiers from all need for licenses. In addition, the Council increased by 20 per cent the number of licenses available for road carriers in member states to use on a multilateral basis inside the Common Market.

### Common EC Speed Limits in the Offing

Common speed limits may soon be set for highways in the European Community.

The EC Commission recently consulted with national authorities on the terms of proposals it will be sending to the Council of Ministers.

The European Conference of

Transport Ministers recommended limits of 37 miles per hour (mph) for busy areas, 62 mph for normal highways, and between 68 mph and 81 mph for superhighways. Speed limits currently range from 50 mph in Ireland to 81 mph in France and Germany.

## Institutions

### Parliament Budget Powers Strengthened

The text of a draft treaty to widen the budgetary powers of the European Parliament, approved by the EC Council in Brussels on December 3, is now ready for formal adoption at a conference of representatives of the member state governments. This conference is necessary because the changes involve Common Market Treaty amendments.

The amended treaty would give

the Parliament a much greater say in deciding EC budgetary expenditure through its own audit office and through the right to throw the whole EC budget back to the Council for changes. In addition, the Council agreed that Parliament should have a greater say in the actual decision-making leading up to new expenditure of any great size rather than just in deciding the amount.

### Justice Ministers Meet in Brussels

Ten justice ministers from the nine EC member states met in Brussels on November 25 for their first meeting since EC enlargement and only the second since the Community's inception. (Scotland was represented separately from the rest of the United Kingdom.)

The ministers discussed proposals on harmonizing company law, improved codification of Community law, computerization of EC jurisprudence, and free movement of lawyers inside the Common Market. The ministers also met with the EC judiciary—the judges of the European Court of Justice, led by Chief Justice Rob-

ert Lecourt.

Among the decisions taken by the ministers were some to lighten the Court's workload. Certain judgments of a particularly technical nature will be taken by three judges, instead of the full court, and the Commission is to make proposals on setting up a lower court to deal with disputes involving EC officials.

While in Brussels, the ministers met not only in the framework of the EC Council but also in conference to discuss questions of mutual interest such as penal law, which are not strictly within the jurisdiction of the Common Market Treaty.

### Court Rules for Freedom of Services

In a ground-breaking decision December 3, the European Court of Justice declared that an EC citizen cannot be prevented from providing services within the Common Market on grounds of nationality or residence.

By upholding a Dutch lawyer's claim that he could not be prevented from advising Dutch clients merely because he lives in Belgium, the Court affirmed that the

free supply of services is directly guaranteed by the Common Market Treaty. The only grounds on which somebody could be refused this right would be lack of the right qualifications.

This decision parallels an earlier decision in 1974 in which the Court ruled that a Belgian-trained Dutch lawyer could not be denied freedom of establishment on grounds of nationality.

### Parliament Passes 1975 EC Budget

The budget of the European Communities in 1975 is 5.82 million units of account (UA)—subject to supplementary budgets for special items such as the newly created regional development fund. (One UA equals one 1970 dollar.)

The 1975 budget received final approval from the European Parli-

ament December 12 after consultation with the Council of Ministers. This is the first year that the Parliament, whose budgetary powers were strengthened during 1974, has had the final say over the size of the budget. These budgetary powers are expected to be increased in the future.

## Competition Policy

### Steel Merger Gets Commission Go-Ahead

The French engineering group and steel producer Creusot-Loire has received the green light from the EC Commission to acquire a majority stake in Marrel Frères of Rive de Gier, a French company that produces high-grade and special steels for processing into hot-rolled strip and plate.

All concentration in the steel industry is subject to prior authorization from the Commission under European Coal and Steel Community (ECSC) rules designed to guarantee free competition. The Commission felt that the acquisition of Marrel by Creusot-Loire, which will enable the two to develop production of hot-rolled high-grade and alloy steel plate for nuclear and petrochemical industries, would not impede effective competition.

The Commission has also approved the projected investment by August-Thyssen-Hütte, of Germany, in the steel complex going up at Fos in southern France. Thyssen, the second largest steel producer in the Community, had applied to the Commission for permission to join with two French companies—Saclor and Usinor—to produce steel coils via a joint subsidiary. The Commission felt that competition in the steel sector would not be significantly restricted but any further cooperation between Thyssen and Saclor or Usinor will be scrutinized.

British Steel Corporation's acquisition of controlling share in Johnson and Firth Brown, of Sheffield, was also given Commission Approval, under Article 66(2) of the ECSC Treaty.

### Commission Condemns Ballbearing Pact

An agreement between French and Japanese ballbearing producers has been declared illegal by the EC Commission.

In its December decision, however, the Commission refrained from imposing fines or requiring the agreement to be terminated because both sides to the pact stated that they are no longer

bound by it. The agreement involved the French subsidiary of the Swedish group SKF, the French firm Societe nouvelle de roulements, and four Japanese firms—NSK Nippon Swiko Kaisha, Koyo Seiko, Fujikoshi, and Toyo Bearing. The accord was designed to bring the price of imported Japanese bearings up to French prices.



## Member States

### European Justice Named Irish President

"I went to Luxembourg because I was an Irishman, and am returning to Ireland because I am a European." So said Cearbhall O'Dalaigh, who had been serving as President of the First Chamber of the European Court of Justice, on becoming Ireland's new President November 29.

O'Dalaigh, the agreed candidate of the three major Irish political parties, was chosen to succeed Erskine Childers, who died on November 17. Agreement between the parties obviated the need for national elections.

In a telegram to the Irish Government on the death of Childers, EC President François-Xavier Ortoli deplored the loss of "a great Irishman and a great European. . . . His commitment to the construction of a united Europe will always be an inspiration and

an example to his fellow countrymen and to all of us who are devoted to this ideal." Ortoli represented the Commission at the funeral November 21.

O'Dalaigh was born in Dublin, February 12, 1911 and graduated from University College Dublin in 1931. He became a barrister in 1934 and served as Ireland's Attorney General from 1946 to 1948 and again in 1951-53. O'Dalaigh became a judge of the Irish Supreme Court in 1953 and was appointed Chief Justice in 1961.

Aindrias O'Caomh, President of the Irish High Court, was nominated by the Irish Government and confirmed by the EC Council to replace O'Dalaigh in the European Court of Justice. O'Caomh's investiture took place in Luxembourg on December 12.

### Italy Receives More Aid from EC Partners

Italy, through a November 18 Council decision, is to get medium-term financial assistance from its Common Market partners. The assistance, in the form of a loan of \$1,159 million units of account (UA), is repayable in four quarterly installments beginning in March 1978. (One UA equals one 1970 dollar.)

Because of its own balance of payments difficulties, Britain did

not feel able to make the same medium-term commitments as the rest, but will provide short-term support of the type all eight EC countries have been contributing. The other seven's shares in the medium-term credit: France, UA 404.4 million; Germany, UA 403.3 million; Belgium/Luxembourg, UA 134.4 million; the Netherlands, UA 134.4 million; Denmark, UA 60.4 million; Ireland, UA 23.4 million.

## Social Policy

### Conference, Council on Social Action

The restoration of economic equilibrium should be one of the main aims of the European Community

and its member states, concluded the EC Commission's December 16 tripartite conference on social

policy.

The conference, with representatives of labor and management, the EC member governments, and the EC Commission, was chaired by French Labor Minister Michel Durafour. EC Commission Vice President Patrick John Hillery, responsible for EC social policy, stressed the need for strengthening the EC social fund.

It was generally agreed by all the participants that the maintenance of employment and of the standard of living and the fight

against inflation were of prime importance for the EC "social partners."

The next day, the EC Council met to discuss social affairs and to study the conference's work. The Council acted in favor of the "equal pay for equal work" principle, the creation of a European Center for the Development of Vocational Training and a European Foundation for the Improvement of Living and Working Conditions, and approximation of member state laws regarding mass dismissals.

### Eighth ECSC Housing Loan Program

The European Coal and Steel Community (ECSC) intends to spend 25 million units of account (UA) on housing programs in 1975-78. (One UA equals one 1970 dollar.)

The housing program, subject to Council approval, is the eighth since the ECSC was founded 22

years ago. To date UA 345 million has been disbursed in low interest loans (normally at around 1 per cent) toward the cost of new housing or modernization. These long-term loans usually meet about one-fifth of the cost of new houses and about one-quarter to a third of the cost of modernization.

### Council Acts on Workers' Rights

Women's equality in the European Community came a long way with the EC Council's December 18 adoption of a directive for harmonizing member states' applications of the principle of equal pay for equal work.

The principle is embodied in Article 119 of the Common Market Treaty, and the new directive provides legal recourse for women workers in cases of discrimina-

tion.

The Council also adopted a directive to strengthen and harmonize laws protecting workers in cases of mass dismissals. In other action, the Council adopted regulations for setting up a European Center for the Development of Vocational Training and a European Foundation for the Improvement of Living and Working Conditions.

### Member State Social Spending Varies

Wide differences still exist between EC member state social expenditures, according to the EC Commission's first "European social budget," published in December. The "budget" analyzes national social spending trends during the period 1970-75.

Estimates for 1975 show the Netherlands spending the greatest

proportion of its gross national product on social benefits (26.3 per cent). Ireland will spend the least with 15.3 per cent. Denmark, Germany, and the Netherlands will have the highest per capita expenditures (about \$1,400), followed by Belgium, France, and Luxembourg (about \$1,000), Italy (\$825), Britain (\$726), and Ireland (\$525).

# Calendar

## NOVEMBER

**1-9** European Parliament President Cornelis Berkhouwer pays official visit to Turkey and Iran.

**4** US Secretary of Agriculture Earl L. Butz visits Brussels (see *European Community*, No. 182, page 15).

**4-8** EC-Pakistan trade negotiations are held in Brussels (see *European Community* No. 182, page 16).

**5** Commissioner Claude Cheysson gives Brussels news conference on EC development aid's future (see *European Community* No. 182, page 23).

**5** Commission Vice President Henri Simonet speaks at the Institute of Fiscal Studies, London, on tax harmonization in Europe.

**5** Commissioner Albert Borschette addresses the European Trade Union Confederation, Brussels, on competition policy.

**5** EC-Sri Lanka trade negotiations held in Brussels (see page 14).

**5** Organization for Economic Cooperation and Development (OECD) Secretary General Emile Van Lennep meets with EC Commission President François-Xavier Ortoli in Brussels.

**5-7** Commission-sponsored conference in Brussels on "Work Organization, Technical Development, and Individual Motivation" calls for the creation of a European foundation for the improvement of living and working conditions (see *European Community* No. 182, page 18).

**6** Commissioner Petrus J. Lardinois, addressing the World Food Conference in Rome (see *European Community* No. 181, page 3), calls for international cooperation in stockpiling basic agricultural commodities.

**7** Commission President François-Xavier Ortoli meets with German Chancellor Helmut Schmidt and speaks on European integration to the *Parlamentarische Gesellschaft*, Bonn.

**7** Commission Vice President Henri Simonet addresses the Montreal Chamber of Commerce on energy.

**7** Council meets in Brussels to take environmental policy action (see *European Community* No. 182, page 23).

**8** Consumers' Advisory Committee meets in Brussels with Commissioner Petrus J. Lardinois (see *European Community* No. 182, page 19).

**11** Council meets in Brussels to reappoint François-Xavier Ortoli as Commission President for two more years and to appoint Guido Brunner as Commissioner responsible for research, science, and education (see *European Community* No. 182, page 23).

**11-13** EC-Morocco negotiations, within framework of developing EC Mediterranean policy, are held in Brussels (see page 14).

**11-15** European Parliament holds plenary session in Strasbourg, France.

**12-13** Canadian Parliament delegation meets with European Parliament in Strasbourg, France (see *European Community* No. 182, page 23).

**12-13** Commission Vice President Carlo Scarascia Mugnozza joins Organization for Economic Cooperation and Development (OECD) meeting on transportation, Paris.

**12** Council meets in Brussels to discuss trade relations with state-trading countries (see page 14), British renegotiation of EC membership, the economic situation since EC enlargement, and trade relations with Iran.

**18** Commissioner Guido Brunner inaugurates the European Science Foundation, Strasbourg, France.

**18** Commission Vice President Christopher Soames addresses Canadian Chamber of Commerce in London.

**18** Council of Foreign Ministers meets in Paris to discuss the Palestine Liberation Organization

(PLO) request for participating in Euro-Arab dialogue (see page 13) and to finalize the Paris "summit" paper (see page 5).

**18** Council of Finance Ministers meets in Brussels to discuss the EC economic situation and medium-term aid to Italy (see page 17).

**18** EC-India textile negotiations open in Brussels.

**18-20** Council of Agriculture Ministers meets in Brussels to discuss sugar negotiations with developing countries (see page 15), the beef and veal market, new support measures for British farmers, and wine distillation (see page 15).

**20-21** EC-Spain negotiations, within framework of developing EC Mediterranean policy, held in Brussels (see page 14).

**21** Commission proposes resolution on tax evasion and fraud (see page 15).

**21** Commission Vice President Patrick J. Hillery, speaking at Oxford University, says "the Common Market is in the interest of the common man."

**22** Yugoslav Foreign Minister Milos Minic visits Brussels (see page 14).

**22** Commission's Energy Committee meets in Brussels to prepare for Council meeting on energy (see page 13).

**24-29** Commission sponsors seminar in Munich on migrant workers.

**25** Commission Vice President Henri Simonet joins the North Atlantic Treaty Organization (NATO) Defense College conference in Rome on "Energy Resources: Weakness in the West."

**25** Council of Foreign Ministers meets in Brussels to prepare for Paris "summit" (see page 5).

**25-26** Joint EC-Portugal Committee meets in Lisbon (see page 13).

**25-27** EC-Algeria negotiations, within framework of developing EC Mediterranean policy, held in Brussels (see page 14).

**25-27** EC Justice Ministers meet in Brussels (see page 16).

**26** Paul Finet Foundation meets in Luxembourg to award grants to children of workers who died from occupational hazards in the coal and steel industries.

**28** Council meets in Brussels to approve EC general budget as amended by the European Parliament.

**28-29** Commission Vice President Carlo Scarascia Mugnozza travels to Rome for Council of Europe meeting on cities and round-table discussion on Europe-Latin America.

**28-29** Japanese Deputy Foreign Minister Kiyohiko Tsurumi visits Brussels within the framework of the regular high-level EC-Japanese talks.

## DECEMBER

**2** EC-Greece Association Council holds first meeting since 1967, Brussels (see page 14).

**2-3** Council meets in Brussels to discuss upcoming Paris "summit" (see page 5), British budgetary contribution, European Parliament powers (see page 16), Mediterranean policy, and the EC contribution to the United Nations emergency fund for developing countries hardest hit by the oil crisis (see page 13).

**3** Court of Justice rules for freedom of services within Common Market (see page 16).

**4-5** EC-Sri Lanka trade negotiations resume in Brussels (see page 14).

**5-6** Commission Vice President Christopher Soames visits Washington (see page 8).

**6** Annual Ambassadorial level meeting between Latin American countries and Community held in Brussels (see page 14).

**9** EC-Iceland Joint Committee, meeting in Brussels, discusses Atlantic fishing rights and EC tariff reductions on Icelandic fish imports

## Recent Books

**9-10** "Summit" meeting of EC heads of government held in Paris (see page 5).

**9-10** Council meets in Brussels to discuss agriculture (see page 15).

**9-13** European Parliament, in plenary session in Luxembourg, discusses Paris "summit," EC negotiations with developing countries, multinational corporations, and EC budget (see page 16).

**10** EC-Switzerland Joint Committee meets in Brussels.

**11** Commission proposes banking harmonization (see page 15).

**11** Council meets in Brussels to discuss transport policy (see page 15).

**11-12** EC-Pakistan trade negotiations held in Brussels.

**12** Aindrias O'Caomh joins European Court of Justice (see page 17).

**13** EC-Argentina Mixed Commission meets in Brussels.

**13-17** Australian Prime Minister Gough Whitlam visits Brussels (see page 14).

**14** Sugar negotiations with developing countries held in Brussels.

**15** Representatives of the countries on the EC monetary "snake" (Belgium, Denmark, Germany, Luxembourg, the Netherlands) meet in Frankfurt, Germany.

**16** Commission sponsors "tripartite" conference on future EC social policy, in Brussels (see page 17).

**17** Council meets in Brussels to set targets for EC energy policy (see page 13).

**17-18** Council meets in Brussels to discuss social policy (see page 17).

**17-18** EC-India Joint Commission meets in New Delhi.

**17-19** Ministers from the 45 developing countries negotiating EC association agreement meet in Dakar

**18-19** Council meets in Brussels to discuss finance and development aid.

*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.*

### **1975 European Community Directory and Diary.**

Institute of Public Administration, 57/61 Lansdowne Road, Dublin 4, Ireland, 1974. 237 pages with tables, maps, glossary, and index. \$12.00, including air mail postage.

A directory, a desk diary, a digest of statistical and other information, and a handy reference book to the European Community.

The directory-diary, now in its second year of publication, provides lists of EC institutions, addresses, staffs, and functions, as well as photographs and biographies of leading EC officials. The digest provides a chronology of Community developments, a detailed statistical portrait of the "Nine," and an atlas. The diary presents each week on two facing pages to the reader and indicates public holidays in the member states, European trade fairs, and other notable events.

### **Environmental Deterioration in the Soviet Union and Eastern Europe.**

Edited by Ivan Volgyes. Praeger Publishers, New York, Washington, and London, 1974. 168 pages with tables, notes, index, and notes on contributors. \$14.00.

A collection of essays, often opposing views, on environmental problems and solutions in the Soviet Union and Eastern Europe.

The book focuses on the comparative nature of environmental deterioration, including politics and pollution in Western and Communist societies, and stresses that reasonable controls on production activities must be established. The editor and contributors are East-

ern Europe and Soviet experts from the United States, Canada, and Hungary.

### **The Law of the Common Market.**

Edited by B. A. Wortley. Manchester University Press, Manchester, England, and Oceana Publications, Dobbs Ferry, New York, 1974. 248 pages with notes, case listings, and index. \$12.50.

An updated version of the Scheill lectures, published originally in 1972 as *An Introduction to the Law of the European Economic Community*.

The essays cover such topics as the impact of Community law upon British jurisprudence, property rights in the Community, the EC impact on British company law, the value added tax, the common agricultural policy, EC competition policy, free movement of workers, and EC institutions. The book attempts to provide an adequately diverse perspective of Community law, as editor B.A. Wortley, law professor at the University of Manchester, notes in the forward by emphasizing the individual nature of the essays that refrain from constructing a collective view.

### **Spatial Design and Planning in the United Kingdom: Its Relevance to Developing Countries.**

Edited by Robert J. Marshall. Praeger Publishers, New York, Washington, and London, 1974. 212 pages with notes, figures, tables, index, and notes on contributors. \$16.50.

Discussions from a seminar held at the American University of Beirut for administrators, politicians, and academics from the Mideast and Britain.

The contributors look at British urban planning within the framework of national approaches to planning and development policy. The essays explore the evolution of the British system, its relevance to the developing countries, economic implications, community

development, housing policy, regional and local planning, land use, and transport.

### **East-West Business Transactions.**

Edited by Robert Starr. Praeger Publishers, New York, Washington, and London, 1974. 575 pages with notes, index, and notes on contributors. \$32.50.

A comprehensive, analytical guide for doing business with each of the Communist countries, written by experts in each aspect of East-West trade involved.

The articles cover such topics as: Western legal controls, organization and conduct of foreign trade in state trading countries, contract negotiation, property rights, financing, joint ventures, and settlement of disputes. The editor is an attorney specializing in international transactions.

**Western European Policies Toward US Investors.** By J.J. Bodewyn. New York University Graduate School of Business Administration, New York, 1974. 97 pages with notes. \$1.00.

An analysis of public policies in Western Europe regarding American multinational companies and their direct investment in that area.

The study presents the general and comparative characteristics and trends of public policies toward American investors in the European Community as a whole and in seven separate European countries—Belgium, France, Italy, Sweden, Switzerland, Britain, and Germany. The study's first part investigates the sources and contexts of European policies—laws, regulations, and treaties, and the administrative and national contexts. The second part examines the current contents of European policies toward US investors, both national and EC policies. In the final section, the author poses numerous questions regarding "the prospective contents of European policies."

## Publications Available

## 1975 Subscription Prices

All subscriptions are for the calendar year.

*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.*

**OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES.** Daily. Publishes all Community legislation and many communications. Surface mail: \$60.00. Air mail: \$136.00 additional.

**GRAPHS AND NOTES ON THE ECONOMIC SITUATION IN THE COMMUNITY.** Monthly. Surface mail: \$13.10. Air mail: \$5.20 additional.

**THE ECONOMIC SITUATION IN THE COMMUNITY.** Three issues a year. Surface mail: \$17.00. Air mail: \$6.30 additional.

**ENERGY STATISTICS.** Four issues a year + yearbook. Surface mail: \$33.80. Air mail: \$8.10 additional.

**REPORT OF THE RESULTS OF THE BUSINESS SURVEYS CARRIED OUT AMONG HEADS OF ENTERPRISES IN THE COMMUNITY.** Three issues a year. Surface mail: \$5.30. Air mail: \$9.40 additional.

**IRON AND STEEL STATISTICS.** Six issues a year. Surface mail: \$36.20. Air mail: \$20.30 additional.

**EUROSPECTRA.** Four issues a year. Surface mail: \$5.80. Air mail: \$5.20.

**GENERAL STATISTICS.** Eleven issues a year. Surface mail: \$30.20. Air mail: \$26.00 additional.

**FOREIGN TRADE: MONTHLY STATISTICS.** French/German text. Eleven issues a year. Surface mail: \$32.60. Air mail: \$14.60 additional.

**INDUSTRIAL STATISTICS (Production).** French/German/Dutch/Italian text. Four issues a year. Surface mail: \$14.50. Air mail: \$6.40 additional.

**AGRICULTURAL STATISTICS.** French/German text. Six issues a year. Surface mail: \$36.20. Air Mail: \$15.20 additional.

**PIG-IRONS AND STEELS: BASIC PRICES.** French/German/Dutch/Italian text. Eleven issues a year. Surface mail: \$77.20. Air mail: \$22.90 additional.

**SOCIAL STATISTICS.** French/German/Dutch/Italian text. Six issues a year. Surface mail: \$36.20. Air mail: \$18.20 additional.

**EURO-ABSTRACTS:** Nuclear Energy, Scientific and Technical Publications, and Pat-

ents. Eleven issues a year. Surface mail: \$24.70. Air mail: \$9.40 additional.

**BULLETIN OF THE EUROPEAN COMMUNITIES.** Monthly + Index. Surface mail: \$9.70. Air mail: \$9.40 additional. **SUPPLEMENTS TO THE BULLETIN.** Standing order available. Invoiced quarterly according to number of pages in supplement.

**TRANSATOM BULLETIN:** Information on translations covering Eastern Nuclear Literature. Monthly. Surface mail: \$32.60. Air mail: \$26.00 additional.

**CAMAC Bulletin.** Information on data-handling problems. Three issues a year. Surface mail: \$9.15. Air mail: \$6.30.

**DEBATES OF THE EUROPEAN PARLIAMENT.** Monthly. Surface mail: \$18.10. Air mail: \$23.20 additional.

**COMMITTEE REPORTS OF THE EUROPEAN PARLIAMENT.** About 25 reports monthly. Surface mail: \$12.10.

**REPORTS OF CASES BEFORE THE COURT.** Irregular. Surface mail: \$32.60. Air mail: \$18.80.

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