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European Community Information Service
2100 M Street, N.W.
Suite 707
Washington, D.C. 20037
telephone: 202-872-8350
277 Park Avenue
New York, New York 10017
telephone: 212-371-3805

DIRECTOR OF INFORMATION
Andrew A. Mulligan
EDITOR
Walter Nicklin

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Brussels
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Copenhagen
Gammeltrov 4
Dublin
29 Merrion Square
Geneva
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The North Sea Oil Rush Is On

But Britain and Norway's European Neighbors Shouldn't Count on an Energy Bonanza

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

A cold and frustrating winter is ending in the North Sea between Britain and Norway. If all goes well, if weather and technology cooperate, giant pumps will begin throbbing sometime in the late spring or summer, sending hundreds of thousands of barrels of oil per day gushing through a pipeline that links a Norwegian platform in the middle of the sea to British ports at Teesside, some 250 miles away.

That moment will signal the opening of Ekofisk, the first North Sea oil field to go into full production. It also will bring into operation Europe's best chance of reducing its dependence on Middle Eastern oil. To get this new oil will require unprecedented technology operating in unprecedented conditions. But the story of North Sea oil goes beyond technology and climate to embrace money, politics, ecology, even nationalism.

Even so, it is easy to overestimate the North Sea's contribution to the solution of Europe's oil problems. Norway plans an annual output of some 90 million tons, or 700 million barrels, worth of oil and its gas equivalent by 1980, when fields in its half of the sea are in full production. Production in Britain's half could be 150 million tons or more. Holland, West Germany, and Denmark own smaller shares in the southern fringe of the sea and their output will be correspondingly smaller. Altogether, this will do little more than dent—by perhaps 20 per cent—the total European demand of 11-12 billion barrels annually.

First production will come from the southern, more accessible part of the North Sea, south of the sixty-second parallel running roughly from the Faroe Islands to north of Bergen, Norway. (In the North Sea, "accessibility" is relative: Waves up to 100 feet high smack platforms already built; it will get worse as drilling moves north.) Proven reserves in this southern territory amount to about 24 billion barrels. The Norwegian Government thinks there may be four times as much. There is no doubt that, as drilling proceeds, more and more will be found.

Norway has restricted exploration north of this line, to avoid offending Norwegian fishermen who fish these waters and the Soviet navy who maneuvers in them. But a recent unauthorized test by a US team indicated that the northern part of the sea is even richer than the south. To this must be added whatever riches are found in the so-called "Celtic Basin," to the southwest of Britain, and in potentially oil-rich waters west and north of Scotland.

WHETTING EUROPEAN APPETITES

It is clear that these northern waters cover a Klondike that can be legitimately compared with Arab reserves. But northern North Sea exploration is at least a decade away, when the world oil picture almost certainly will have changed drastically—for better or for worse. For the moment, the oil and gas that count are to be found in Ekofisk and its sister fields south of the sixty-second parallel.

Norway, with only 4 million persons, uses relatively little oil and so should be able to export 80 million of its 90 million-ton annual output. Britain, with its large population and thirsty industry, will use much more of what it produces but could have some 30-40 million tons available for export each year. All this—about 1 billion barrels annually—is whetting European appetities, but the Common Market is not counting on the North Sea finds to tide it over the oil crisis.

During negotiations on a European energy policy, Britain has insisted that it retain sole control over the pace of exploitation and disposition of its oil, and this insistence seems to have been accepted by its EC partners. In addition, Britain shows no inclination to sell its oil at anything less than the going world market price and, in fact, was the only European country to give early support to the US proposal for a high floor under oil prices. The Scottish nationalist issue also intrudes here: As more and more money flows into Scotland and right out again to London, nationalist demands for Scottish ownership of the oil, much of it being drilled off Scotland's coast, can be expected to become more strident.

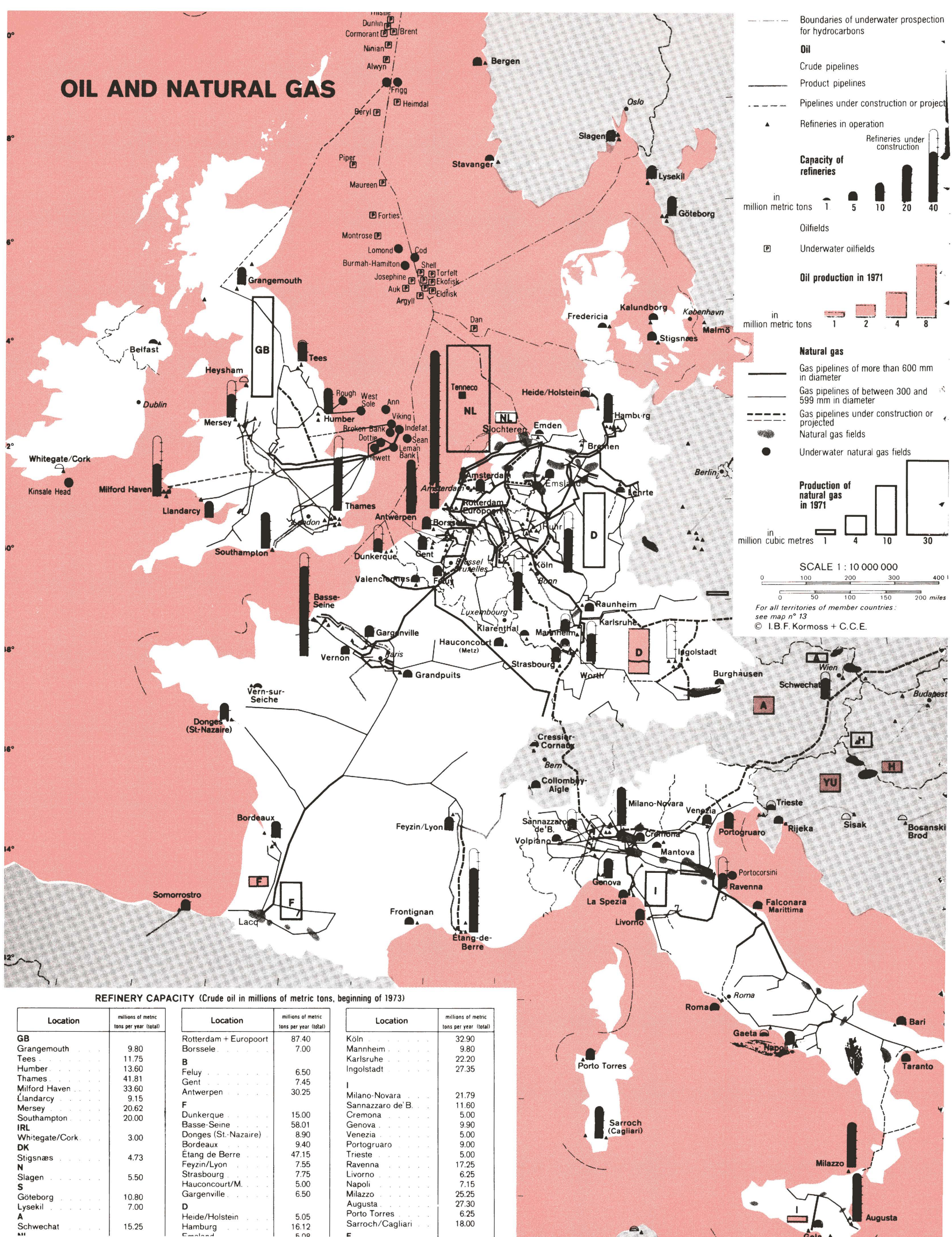
Norway also has served notice that it is not about to become the sugar daddy to its oil-hungry neighbors. So Common Market programs so lar look instead to conservation of oil and its replacement by such alternative sources of power as nuclear energy. Although much Community decision-making has been submerged in the transatlantic International Energy Agency (IEA), the EC "Nine" have framed their own plans for a cutback of 15 per cent in the planned growth of their energy requirements by 1985, and a reduction in their dependence on imported oil from the current 63 per cent to 50 per cent—or even 40 per cent if possible. Coal output is to be kept stable, instead of being allowed to dwindle, as before. Nuclear energy will be used increasingly, despite misgivings of environmentalists in the Netherlands and other countries. The search will soon be on for development of oil sands, solar energy, and other sources. Icelanders have even suggested that Europe import some of their thermal, geyser-powered energy—a pipe dream perhaps.

"RICH MAN'S BURDENS"

If the discovery of oil has been important to Britain, with its long and rich industrial history, it has been positively traumatic to under-populated, bucolic Norway. The oil issue has split the nation politically and socially and is providing a field day for students of the stern and stubborn Norwegian psyche.

"We've got a rich man's burden," Odd Goethe, oil expert at the Industry Ministry, said to me during a week I spent recently in Oslo and in Stavanger, the center of Norway's oil industry. "We see the possibilities it offers, but we are afraid that our new wealth will be used wrong, and we will have a rich man's problems."

Time and again, Norwegians like Goethe mentioned that they are "afraid" of what the oil will do, and of its impact on this rural-based and traditional society, with its high standard of living and



REFINERY CAPACITY (Crude oil in millions of metric tons, beginning of 1973)

Location	millions of metric tons per year (total)
GB	
Grangemouth	9.80
Tees	11.75
Humber	13.60
Thames	41.81
Milford Haven	33.60
Llandarcy	9.15
Mersey	20.62
Southampton	20.00
IRL	
Whitegate/Cork	3.00
DK	
Stigsnæs	4.73
N	
Slagen	5.50
S	
Göteborg	10.80
Lysekil	7.00
A	
Schwechat	15.25
NL	

Location	millions of metric tons per year (total)
Rotterdam + Europoort	87.40
Borssele	7.00
B	
Feluy	6.50
Gent	7.45
Antwerpen	30.25
F	
Dunkerque	15.00
Basse-Seine	58.01
Donges (St.-Nazaire)	8.90
Bordeaux	9.40
Étang de Berre	47.15
Feyzin/Lyon	7.55
Strasbourg	7.75
Hauconcourt/M.	5.00
Gargenville	6.50
D	
Heide/Holstein	5.05
Hamburg	16.12
Emsland	5.08

Location	millions of metric tons per year (total)
Köln	32.90
Mannheim	9.80
Karlsruhe	22.20
Ingolstadt	27.35
I	
Milano-Novara	21.79
Sannazzaro de'B.	11.60
Cremona	5.00
Genova	9.90
Venezia	5.00
Portogruaro	9.00
Trieste	5.00
Ravenna	17.25
Livorno	6.25
Napoli	7.15
Milazzo	25.25
Augusta	27.30
Porto Torres	6.25
Sarroch/Cagliari	18.00

careful, humane social balance.

"Someday, there will be no more oil here," said Bjoern Unneberg, a member of the Norwegian legislature for the Center Party, which draws many of its votes from farm areas. "So it's very important not to destroy the basic structure of our society. When the oil is gone, Norway must live on. If we change too much, it will be that much harder to rebuild our society."

Even urban Norwegians see the isolated farmers and fishermen as the custodians of their nation's basic values, and anything—like an oil boom or Common Market membership—that could threaten their existence is cause for national worry. For this reason, the environmentalists have struck an odd alliance with such representatives of the far left as the Marxist Socialist Peoples Party (SPP).

"We are very much afraid that this oil boom could tear Norwegian society," the SPP's chairman, Stein Oernhoei, said. "Norway is better than any other country in the Western world. We want to keep it that way."

This attitude affects Norwegian decisions on how much oil to pump, how much to share with other countries, and how to spend the money it earns. The government has compromised between environmentalists—who want a limit of 50 million tons per year—and oil firms and foreigners—who want maximum production. This compromise is an official decision setting output at a maximum average of 90 million tons per year for the near future, into the Eighties. But there's already evidence, before the oil even begins to flow, that this figure is unrealistically low.

Ekofisk alone, if fully exploited, could pump 60 million tons worth of oil and gas per year. Norway also has two other major fields—Frigg and Stratfjord—and these could easily raise total output to 140 million tons or more. Existing legislation does not give the Norwegian Government the means to control this flow, and oilmen themselves say that "we'll drill like hell."

Adding to these pressures to "drill like hell" is the fact that both Frigg and Stratfjord, and probably other major fields in the future, lie astride the British-Norwegian boundary dividing the North Sea. This means both nations can drill in the same field and, like two boys sucking on the same milkshake through two straws, the nation that drills first and fastest gets the most. In practice, of course, it is not that crude; agreements are made on sharing the oil. But Britain is anxious to maximize early drilling to relieve its industry and balance of payments, and the pressure on Norway to increase its drilling will be immense.

Since Norway will use only a fraction of the oil it drills, it stands to earn at least 4 billion dollars annually by 1980 from oil exports. In a nation of only 4 million persons, this kind of money goes a long way. But the question is how to spend it.

Some Norwegians want to use it to improve schools, welfare services, communications, or the bad road system. Others hope it will take the bite out of Norway's crushing tax rate, which takes 40 per cent of the average paycheck. Some want it to go directly to consumers to raise the standard of living, but Unneberg speaks for the puritan strain in Norway when he says that "to have money to spend is a little bit primitive."

WHAT HAPPENS IN A CRISIS?

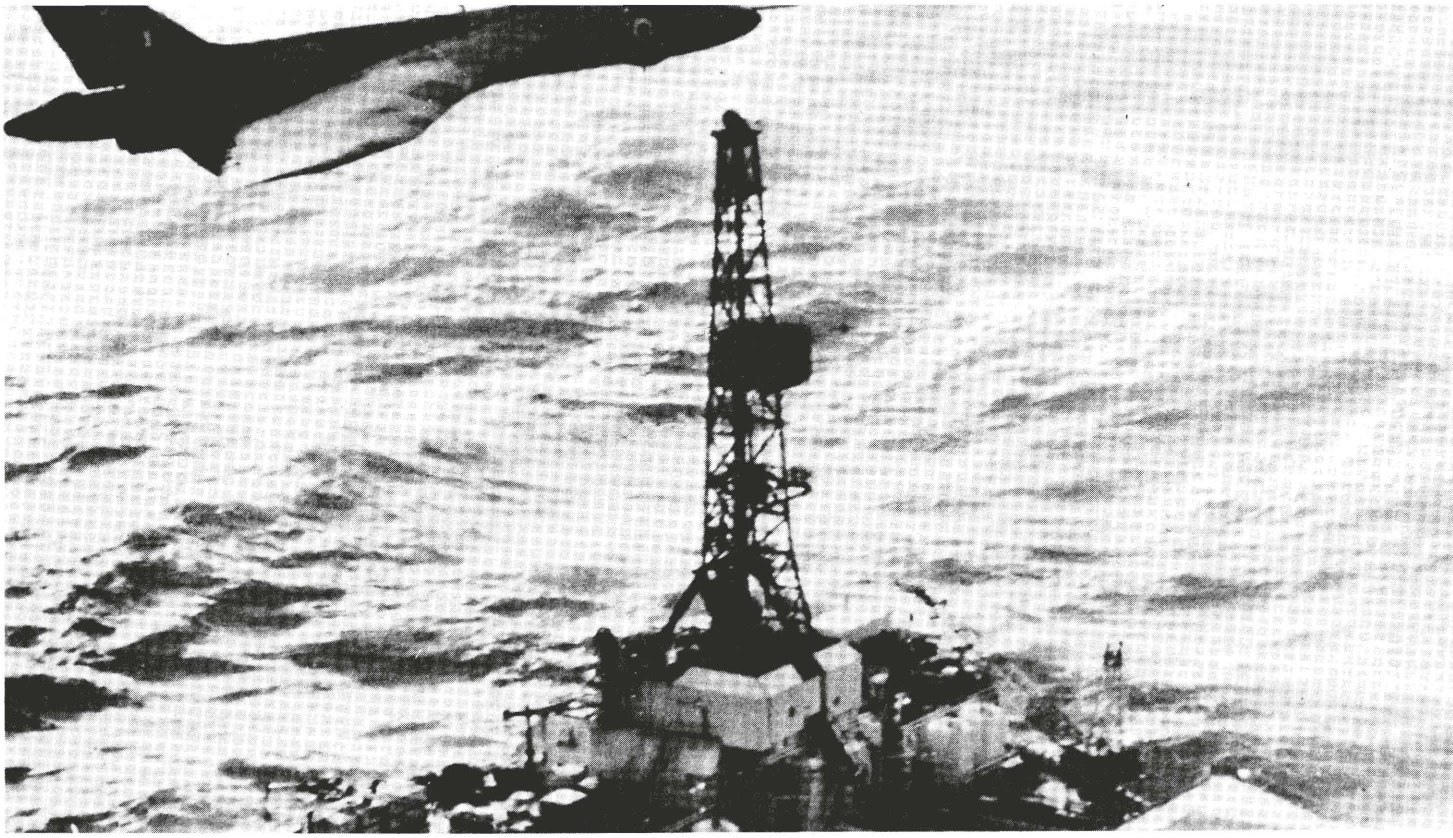
There is considerable sentiment in favor of spending more on foreign aid to developing nations. But there is a debate, going to the heart of Norway's conception of its place in the world, about the country's obligation to other Western nations.

The same streak of isolationism, of suspicion of the outside world, that led Norwegian voters to reject membership in the Common Market also blocked the nation's full participation in the IEA. Officials concede that they blundered into US-European talks on formation of the IEA, then were forced by domestic political pressure to back out when they were on the brink of joining. Norway now has associate membership in the IEA—and no plans to join the Organization of Petroleum Exporting Countries (OPEC)—but has balked at any ironclad pledge that its oil will be available to its allies in case of another Arab embargo.

But what would really happen in a crisis? Opinions differ. "The idea of solidarity with other countries is a basic one," a high official with a voice in government policy-making said. "If a situation should arise of a shortage of supplies, we have accepted the principle of helping. But the final decision should be left to ourselves."

But this "solidarity" has not prevailed so far. Unneberg may be closer to popular feeling when he says, "In the case of a real embargo, our main task with oil is to preserve the existing economic structure of Norway. We feel we cannot restructure Norway as the price of some obligation to Western Europe." Most officials of government and oil companies have an international outlook and agreed with Arve Johnson, the US-educated director of the state oil company Statoil, that "we live in one united world. We cannot look on ourselves as a privileged little outskirt." But even an oil company executive like Hans Goksoeyr of Shell, when asked what help Sweden could expect during an oil crisis, replied, "We won't do something for somebody just because they have blue eyes. . . . It's not just old-style nationalism. It's a question of our own identity."

Foreign oil companies are already feeling the pinch of Norwegian nationalism. Under the energetic leadership of the 40-year-old Johnson, Statoil is beginning to look like an empire in the making. It has a 50 per cent stake in Statfjord, the newest and biggest major field, and will own 100 per cent of some other new fields. It has plans to move into exploration, transportation, refining, and marketing, gradually replacing Phillips (which started the North Sea boom by finding Ekofisk six years ago) and other foreign firms. At one point, the government talked about a 90 per cent excess profits tax on foreign companies' operations: The companies, shocked, were nearly limp with relief when the government finally settled for a lower 25 per cent "off the top" tax



Royal Air Force jet fighter flies protectively over an oil rig 90 miles east of Aberdeen, as part of the British Government's regular surveillance to head off possible sabotage.

that, coupled with royalties and other taxes, means a total government take of 57-66 per cent of a field's total production. The British tax is about 45 per cent but has special loopholes for production in smaller fields and allows companies to recover 175 per cent of their investment before becoming liable to the tax. In both cases, governments obviously listened to and sympathized with companies' claims that crushing taxes might force them to stop operating or abandon future investment plans.

The Norwegian Government's basic attitude toward foreign oil firms was clearly spelled out in a white paper last year which said, "Private enterprises, Norwegian or foreign, may be engaged at the exploration and production stages and will receive suitable compensation. . . . But in the future they should obtain the right to exploit these national resources in exceptional cases only."

A QUIET BOOM TOWN

All this attention comes to focus on Stavanger, a pleasant and still quiet town of 80,000 persons, and on the rigs themselves. So far, Stavanger, once the herring capital of Norway, has escaped the ravages of a boom. There are 3,000 Americans living there now, many of them from Texas and Oklahoma. Many are family men—the Stavanger American school, with 400 students, is the largest American school in Scandinavia—and Norway's fierce anti-drinking laws tend to dampen the high spirits that build up during the eight-day stints that the men must spend on the rigs. Rents and the prices of restaurant meals have soared, but other Stavanger costs have barely kept pace with normal Norwegian inflation. Most new industry—the building of the oil rigs, for instance—fit in well with the shipyards that were Stavanger's major industry before the boom began. And fears that the high wages on the rigs and in the shipyards would quickly steal workers from Norway's farms have proved unfounded, according to Ole-Jakob Kvinnsland, editor of the Stavanger-based oil magazine *Noroil.* Farming and fishing in Norway have always been a part-time activity, he says: Oil workers now spend one or two weeks on a rig, then go home for an equal time to tend their fields and nets.

But Stavanger is bound to change. Statoil, which headquarters in Stavanger, has barely 200 employees now. As it grows into a full-fledged oil company, it will mark Stavanger as surely as Phillips, for instance, has marked Bartlesville. One Stavanger oil expert warns, "We are creating our own multinational." But Statoil boss Johnson says that, when he looks at the future, "I see opportunities and possibilities. It's defiintely going to have an impact, but I'm not afraid of it. In a modern society, it can be steered."

Ekofisk itself, the field that started it all, perches 180 miles southwest of Stavanger. From a helicopter, the rigs look deceptively tiny and frail in the middle of the churning sea. But up close, they seem mammoth and solid—and rightly so. The visible rigs, jutting above the waves, are only the tip of a concrete iceberg, manufactured on land and towed to the site to be anchored in 200 feet of water. Everything else—the platforms, drills, living quarters, pumps, and tanks—rest on these sturdy foundations. Never before has man tried to drill oil in so deep water.

Ekofisk supports a shifting population of 600 men operating the 150 wells that can drill down into the limestone beneath to get at the oil and gas 10,000 feet down. Huge tanks separate gas from oil. Four compressors are supposed to pump some of the gas back into the ground, to comply with government anti-flaring rules and to build up pressure to get more oil out. But the compressors are the biggest ever made and, on their first installation at Ekofisk, began to vibrate so dangerously that they had to be removed and repaired. Winter came on before the work could be finished, so the first pumping from Ekofisk had to be delayed until this year—a major disappointment and frustration for both the government and Phillips.

Besides Phillips, most of the world's other major oil firms are represented in Ekofisk and the other North Sea fields on both the British and Norwegian sides. They have invested billions in exploration and, now that the tax situation looks favorable, expect to get their money back—and much more besides. Britain and Norway, despite their different public policies, will probably end up with similar practices—right down to treating their European allies within the European Community and the North Atlantic Treaty Organization like any other customers.

Last Summit or First European Council?

Dublin Meeting Raises As Many (Procedural) Questions As It (Substantively) Answers

DENNIS KENNEDY, *European Editor of the* Irish Times *and "European Journalist of the Year" in 1974*

The Dublin "summit" might well have been subtitled, in the style of contemporary revolutionary Shanghai drama, "The Unacceptable Situation and the Correcting Mechanism." For it was an EC Commission document, thus quaintly named, that dominated what should have been the first of the new-style, thrice-yearly European Councils of prime ministers and foreign ministers of the nine EC countries.

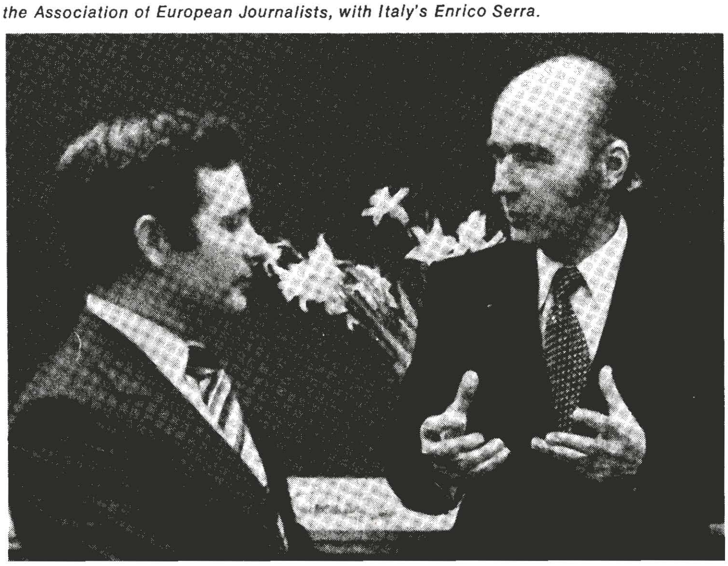
The document dealt, of course, with the central remaining issue of British renegotiation of membership, how to compensate a member state which might find itself paying an unfair share of the Community budget. Agreement on that, and on New Zealand sales of dairy produce to Europe, meant that renegotiation was complete, and British Prime Minister Harold Wilson could say publicly and firmly that it was complete, that there were no more points to be raised.

Much of the two-day meeting was spent on arithmetic, an exercise scarcely suited to a conference of heads of government and their foreign ministers. But in the end it was the adding up of the political sums—French agreement on the last details equaling British agreement that renegotiation was complete plus the implied undertaking that Wilson would recommend the package to his cabinet—that made Dublin a success.

Various points in British renegotiation had, more or less, been achieved before the Dublin meeting, and the most important point, on the budget contribution, had been gained in principle when agreement emerged on some form of corrective mechanism to meet the case of a country paying more than its fair share. In Dublin Wilson was able to push this mechanism to the point where he can claim that he has, or will have by 1978, saved Britain more than $240 million a year, compared to the Conservative-negotiated terms of entry.

Immediately before Dublin, the suggested mechanism might have saved Britain about $84 million. With a referendum three months ahead Wilson obviously considered it vital to push that

The author (left) with EC Commission Vice President Patrick J. Hillery during award ceremonies for "European Journalist of the Year." Kennedy shared the award, made by the Association of European Journalists, with Italy's Enrico Serra.



French President Valéry Giscard d'Estaing (left) and British Prime Minister Harold at the European Council.

figure up over $240 million, which sounds much better in a political campaign but remains small beer in the light of Britain's current deficit.

Most of the other ministers left Dublin confident that Wilson will win his referendum and that Britain will stay in the Community. In that sense the meeting may have helped avoid the complications that could follow British withdrawal as far as American-European relations are concerned. A Britain outside the Community seeking again a "special relationship" with Washington would not simplify the rather perplexing European end of any transatlantic dialogue.

CHEESE AND EUROPEAN SECURITY

But Dublin was essentially a domestic European affair, concerned with internal Community matters more than with the Community's relations with the rest of the world. This was exemplified by the disconsolate figure of the Dublin Tass correspondent, wandering around the press area in Dublin Castle asking about the summit's view on the Conference on Security and Cooperation in Europe (CSCE) and gradually realizing that New Zealand cheese was much more important than European security.

The meeting did get around to European security, over dinner, possibly even over cheese, and produced a short declaration. While this publicly stated the Community's position as favoring a rapid conclusion to the CSCE, with the final stage at an early date and at the highest level—thus perhaps going further to meet the Soviet Union's desire for a Helsinki summit in July than the EC "Nine" had done before in a formal manner—it merely confirmed what had already emerged as an acceptable position.

Individual European leaders had said as much during or following bilateral talks in Moscow.

Outside the British matter, the one actual decision taken in Dublin was to set up a special ad hoc committee to begin intensive preparation of the European Community approach to the proposed International Energy Conference. This in itself will presumably give further impetus to the formulation of an internal Community energy program. The committee will also be concerned with "directly connected questions concerning economics, finance, and the developing countries."

It was also decided that the next summit, or European Council, will be held "in good time" to prepare for the energy conference. It thus seems certain that energy will dominate at the next Council, scheduled for Brussels in May, or Luxembourg in June.

There had been some hope that the heads of government would, when discussing the new issue of raw materials, set out some basic principles on what may become a topic to rival energy. According to Irish Prime Minister Liam Cosgrave, there was "an extremely useful discussion" on this, but the only outcome was to refer it to the Council of Ministers.

There was an assurance too that there had been a good discussion on the world economic situation, and on unemployment and inflation within the Community. This matter had been central at the Paris summit in December, with much made of the commitment to reflation, and to stimulation of economic activity by those countries already in surplus on balance of payments.

Before the Dublin meeting there were some indications that there could be sharp discussion on this, with some participants (German Chancellor Helmut Schmidt perhaps) urging that inflation was at least as serious a problem as unemployment. In a speech just before the meeting, Cosgrave said he intended to ensure that the European Council would give fresh momentum to the moves towards expansion that had stemmed from the Paris summit. But this matter too was passed on to the Council of Finance Ministers, with no indication that the heads of government had given clear directions of the route ahead.

The nine heads of government or state and their foreign ministers meet in Saint Patrick's Hall of Dublin Castle, built in the Thirteenth Century.

TWO SCHOOLS OF THOUGHT

So the Dublin summit—or was it a European Council?—may have tied up British renegotiation, but it contributed little on other major policy areas, and in particular it gave little or no indication of what a European Council is, or may develop into.

In the Irish capital immediately after the meeting there were two schools of thought. One was that the British item had so dominated the proceedings that there was little time for anything else. There was no real chance then of serious discussion of principal policy areas, arising from which the Council could have given both direction and impetus to the work of the Nine, within the Community and in their political cooperation, over the next three months. The treatment of the economic situation was cited as the prime example of this.

This school saw the Dublin Council as exceptional, overshadowed by the British problem which had turned it into the last of the summits rather than the first of the Councils. It was hoped the system of regular Councils would develop from now on, with the heads of government and their foreign ministers able to concentrate for two days on being a high policy-forming body, rather than one engaged in complex, technical—or even political—bargaining.

The alterative view was that Dublin was lucky to have a major political item such as the British question to make it worthwhile. Without it, the prime ministers would have been patently wasting their time, and the time of a lot of other people too. Much of their time was, no doubt, wasted anyway on the arithmetic, but the final agreement was essentially a political one, and one for which French President Valéry Giscard d'Estaing received much praise, particularly for his role as an initiator of compromise proposals.

This agreement on Britain was, as has been said, a political one, and it emerged from the hard bargaining and late sitting characteristic of the old-style summits. Future Councils will not, it was assumed, have to deal with British renegotiation, so what will they be about? Those who feel that it was the British question that gave point to Dublin argue that the Community has just not yet reached the stage where its heads of government can meet every four months ot survey the horizons and come up with useful political conclusions. Up until recently the great precondition for having a summit was that it be "adequately prepared," that the matters coming before it had been, over a period of time, debated at a lower level to the point of ripeness for a decision at the highest level.

The new European Councils envisage no such preparation, and the fear is that they will be asked to adjudicate on fairly minor items that should certainly have been decided at lower levels.

Dublin almost produced an example of this. The Italians had said they would raise there the matter of the hill farming aid plan of the EC common agricultural policy. A dispute existed over what percentage of grants under the plan should be paid by national governments, and the Italians had indicated that they wanted this settled at the summit. Clearly, if matters of detail like this were to be passed upwards to the regular European Councils, in addition to being inappropriate for prime ministers to handle, it would inhibit decision-taking at the lower level where it belongs. But at least the Italians did not raise this particular matter in Dublin.

It could be argued cynically that given the Community's ability to land itself in successive crises, there will always be an important, dominant theme at Councils to push the trivia off the agenda. The truth or otherwise of that may have to wait until the autumn Council in Rome, as the middle one for 1975 already has energy to occupy it.

Part of the debate over European Council versus summit is on practical organization, and the extent to which these new meetings are brought within the Community framework and therefore under the Treaty mechanisms. Ireland, the host this time and therefore the main organizer, sought to tie the Council as closely as possible to the Community procedure, at one point suggesting that the agenda should be divided between "Community" matters, during the discussion of which the Council would sit exactly as a Council of Ministers, and the political cooperation questions, when it would sit as the nine ministers do on political cooperation.

No such clear division was accepted, though it was there in practice. The Irish would have liked to have gone further and included in the Council their Permanent Representative in Brussels, who as chairman of the Committee of Permanent Representatives sits alongside the Presidency at Ministerial Councils. But Ambassador Brendan Dillon was forced to pace the Battleaxe Landing of Dublin Castle, outside St. Patrick's Hall.

If Dillon was excluded, Nicholas Hommel, Secretary General of the Council of Ministers, was present. But the justification for his presence was administrative rather than political, as the Council Secretariat was made responsible, along with the Presidency, for recording the business of the meeting.

LESS OR MORE HULLABULOO

Another distinction between summits and Council that was evident in Dublin was that prime ministers and foreign ministers met together, with no provision for separate meetings. (In Paris in December Giscard d'Estaing did his best to keep the River Seine and a few acres of Paris between them.) The only point at which the heads of government soldiered on without their ministers in Dublin was over dinner on the first night of the Council, and then they discussed European security, which is not a "Community" matter, and in any event joined their ministers over brandy to complete the topic.

This was deliberate planning by the Irish hosts, who, along with other small member states, feel most at risk when the big men of the Community—the French President, the German Chancellor, and the British Prime Minister—have the best chance of dominat-

EC Commission President François-Xavier Ortoli, Irish Foreign Minister Garret FitzGerald, Irish President Liam Cosgrave, and EC Commission Vice President Wilhelm Haferkamp (left to right) field questions at a post-European Council press conference.

Renegotiation to Referendum ...

Following the March 10-11 European Council in Dublin, where renegotiations of British EC entry terms were concluded, the British Cabinet met March 18 to decide whether to recommend a "yes" vote in the upcoming referendum on continued EC membership. On March 19 *The New York Times* commented editorially:

Prime Minister Harold Wilson's Cabinet has decided by substantial majority to recommend that the voters approve Britain's membership of the European Community in a referendum scheduled for late June. Mr. Wilson is not yet home free; but at least one more obstacle has been cleared en route to the only verdict—staying in the Common Market—that makes sense for Britain. . . .

In mature wisdom, the British will probably follow the strong recommendation of the leaders of all three major parties and elect to remain part of a Community into which a Conservative Government led the country in 1971—though in the face of comparable advice the Norwegians rejected membership in 1972. With unusual patience and flexibility, the other Community governments went far to ease Britain's burden at the recently concluded Dublin conference and to validate Mr. Wilson's myth of a 'renegotiation' of its terms of membership.

It is hard to escape the conclusion that this cumbersome referendum exercise was unnecessary; but it is going to be held—and relief will be felt in more places than just the Community capitals when Britain has finally, irrevocably cast her lot with her neighbors across the channel.

ing all discussion. Moreover, it is in accordance with the Paris communiqué of December setting up the system of European Councils, for the wording of that clearly states that the heads of government will meet along with their foreign ministers three times a year, or more often if necessary.

Another divergence of Council from summit was to be the absence of a formal communiqué. True, there was no communiqué as such, but Council Chairman Cosgrave revealed the meeting's conclusions in a printed and circulated statement, which, taken together with four other printed declarations, came as close to a communiqué as made little difference.

One of the disadvantages of frequent summits, everyone agrees, is that they raise public expectation to a degree that can rarely be realized. Great events must be afoot when nine heads of government congregate in one spot, pursued by hundreds of journalists, photographers, and radio and television crews. If, at the end of a summit, little or nothing emerges, then the failure to be seen to have done something positive is actually damaging.

Dublin Castle attracted enough journalistic attention to be indistinguishable from previous summits. However, British renegotiation was almost certainly responsible for the great press interest, and in fact journalistic accreditation was, at just over 600, more than 200 down on the attendance at Paris last December, and 400 below the press army that turned up in Copenhagen in 1973.

It is just possible that European heads of government will be allowed to meet in the future with less hullabuloo, though if they are, it will probably mean that they are indeed wasting their own time and discussing matters that should have been settled at lower levels.

However the European Councils develop, the EC Commission

To the background of "enough journalistic attention to make Dublin indistinguishable from previous summits," (left to right) British Secretary of State for Foreign and Commonwealth Affairs James Callaghan, British Prime Minister Harold Wilson, Dutch Prime Minister Joob den Uyl, and Dutch Foreign Minister Max van der Stoel.

has made a prompt and energetic bid for a prominent role in them. Almost throughout the discussions in Dublin, Commission documents were the basis of agreements, working groups were presided over by Commission officials, and Commission President François-Xavier Ortoli was himself an energetic participant in the Council. In a new forum which could move the Community along the intergovernmental path rather than the supranational one, it is significant that the institution of the Community which most embodies the concept of integration, is actively present. Yes, the Dublin meeting was indeed the first European Council.

. . . By Way of the Wilson Government's "White Paper"

On March 28 Prime Minister Harold Wilson delivered to the Parliament his Government's "White Paper" on continued British membership in the European Community. Reporting on the 40-page position paper the following day, *The* [London] *Financial Times* said:

. . . . The anti-Marketteers must inevitably be disappointed by the document just published, which says that the issue of Community membership is of "fundamental importance for Britain's place and role in the world," and argues unambiguously that the consequences of leaving the Community would be adverse, including the risk of a deterioration both in the level of unemployment and in the rate of inflation.

As represented in the White Paper, the adverse consequences of withdrawal from the Community are of two kinds: commercial and political. On the commercial front, the United Kingdom would need to seek a new trading arrangement with the Community—as well as with the rest of the world—and this would inevitably be difficult. Politically, the United Kingdom would lose its right to take part in Community decisions which would affect us even if we were outside, and it would lose the potential leverage in dealing with the world at large which comes with being part of the European Community. Meanwhile the immediate effect of withdrawal would be to create a degree of uncertainty about Britain's political and economic relationship which, by undermining confidence, could affect investment in the United Kingdom and Britain's ability to borrow funds from abroad to counterbalance the current balance of payments deficit.

. . . . From the mass of points of principle or detail in the White Paper, two consistent threads emerge. The first is the recurrent theme that renegotiation has demonstrated the flexibility of the Community. . . . The second theme is the repeated use of the future tense. . . . It is an accurate picture of the Community as an organism which is permanently in negotiation.

Dublin: An Impression

"Augustan Capital of a Gaelic Nation" and Site of the First European Council

BERNARD SHARE, *Irish novelist and secretary of the Irish Book Publishers Association*

There are cities which seem to enfold you, to be contained totally within themselves, as if still circumscribed by their long outgrown medieval walls. In many, this constriction is echoed in the height as well as in the extent—the two dimensions combining to give a sense of density, almost (if one is feeling unsympathetic towards the atmosphere) of imprisonment.

Dublin is not one of these cities. More than one of its elegant Eighteenth Century prospects seems to end at the foot of a mountain. This is an illusion in two respects: The mountains are more than 6 miles away and to describe them as mountains is to exaggerate their size, if not their significance.

But then the Dublin skyline offers them little in the way of competition. The tallest building rises no more than 16 stories and that, as most Dubliners would now agree, is a piece of misplaced aggrandizement. Just in time, the scale of the city has been apprehended. Something has gone—here, as everywhere else—in the tarnished name of progress. But the concept of the open city—open to the sky, open (despite burgeoning suburbs) to the sea, the countryside, and the uninhabited mountains of Wircklow—has survived.

Dublin's river is not large by European, even by Irish, standards, but it is of a scale with the city itself. Dublin's bay, however, is another matter. It sweeps round in a graceful curve from Howth in the north (the name identifies the Norse layer in Dublin's historical strata) to Killiney in the south, called *Cill Inion Leinin* in the Irish—"the church of the daughters of Lenin."

This Lenin was a power in the land some 1000 years before the era of his Russian namesake, and the remnants of his church remain. He represents the oldest surviving element in the city's history—that of the Celt. Then came the Norsemen, the Nomans, the Anglo-Normans, the English, the Huguenots....

Yet Dublin is not an outwardly cosmopolitan city in the sense that Paris or Frankfurt or London is cosmopolitan. Dublin has subsumed the many elements that went to make up its population into the generic Dubliner—sharp, hard-headed, an exponent of destructive and at times self-destructive wit. But cosmopolitanism these days can be bought for the price of an airline ticket, and sophistication is measured in terms of a credit card.

In this sense Dublin is unsophisticated as well. Naked women are not on open display; the "pub," for all the latter-day attempts at glamorization, still remains a social center in which the company and the conversation are more important than the ambience. And Dublin is probably one of the worst-dressed capitals in Europe—not so much from lack of money as from lack of conviction.

The full name in Irish was (and is) *Bhaile Atha Cliath Dubh Linn,* "the settlement at the ford of hurdles by the dark pool." The Danes found it a bit of a mouthful, and Dublin became *Dubh Linn,* "the black pool," from then on. Irish speakers, however, still prefer *Bhaile Atha Cliath*.

And, though it is a good number of centuries since Irish was the vernacular in this part of the country, Dublin could only be an Irish city—although this assertion in itself implies a paradox. Many of the city's finest buildings were the work of foreign architects. Its two medieval cathedrals service the minority religion. Its way of life is that of a modern urban community in a country that is still predominantly rural.

Yet, perhaps because it never suffered an industrial revolution, Dublin has not yet got around to building the kind of concrete monoliths and numbing expressways most other capitals are trying to unbuild. It is still largely without a pollution problem. And it can still be left behind 20 minutes' moderate driving in any direction, save due east into its own yacht-filled bay.

Perhaps because of all of these things, or some of them, Dublin retains an individuality, which has conserved for the city as strong a sense of place as was evident 70 years ago in the peregrinations of Leopold Bloom and Stephen Dedalus on that eventful June 16, 1904....

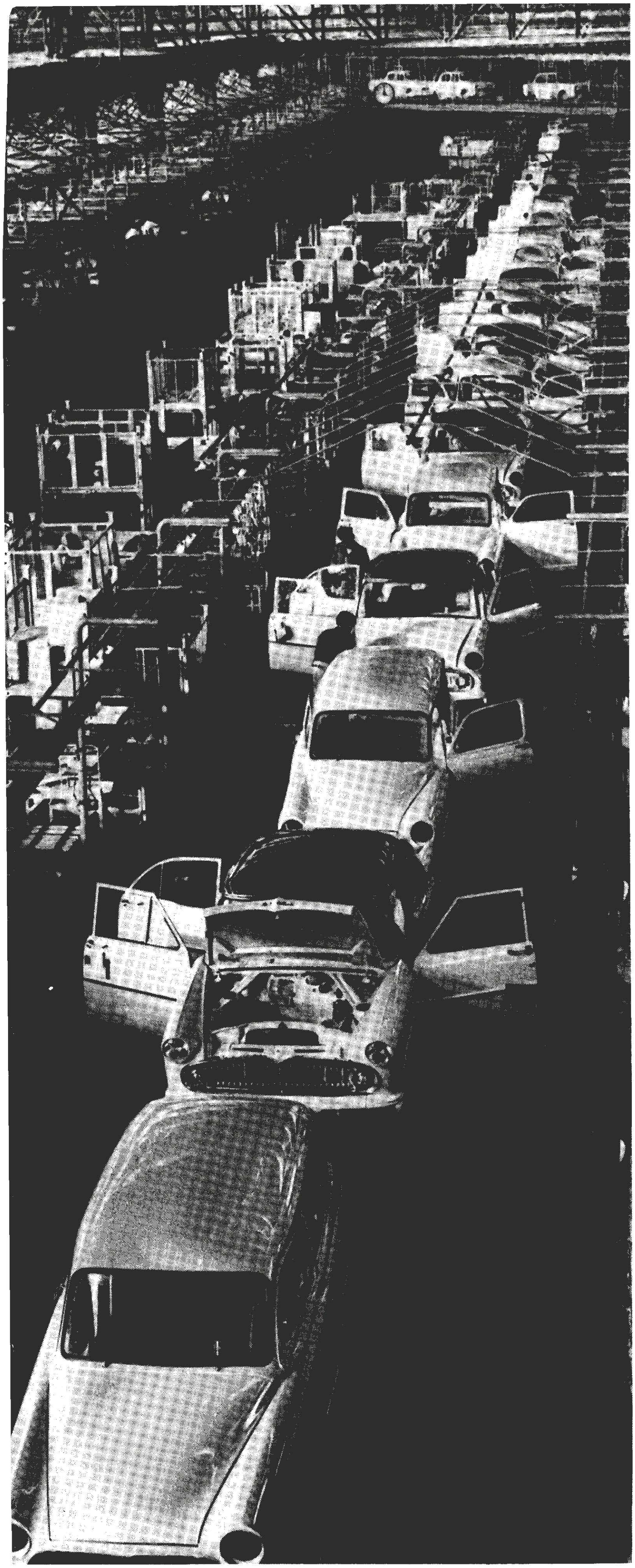
James Joyce's Dublin, though, is only one side of the story. Dublin is also the city of Oscar Wilde, of J.M. Synge, of Sean O'Casey, of Brendan Behan, of Bernard Shaw, of Samuel Beckett. And it is also the city of men who would remember Behan only as a rather indifferent signwriter, Wilde as the not very respectable son of a brilliant surgeon and antiquary, Beckett as.... It is a city, in other words, of ordinary people.

Like any other city, except that its size and the pace at which life is conducted (which seems, only seems, to be a good deal more leisurely than elsewhere) have preserved an element of humanity which has been eroded in larger centers by sheer centripetal pressure. In Dublin you are welcome to sit beside your taxi-driver, if you feel so inclined. You will not be regarded with uneasy suspicion if you talk to a stranger in a pub. And if you lose your way late at night, the worst that might befall you would be an involvement in an impromptu festivity....

Dublin is a capital which does not dazzle at the first impression. If it is gray and raining, Dublin will look like the place you would like most to be out of. But give it a little time. Walk it if you can (the distances are not great) and fall into its rhythm.

There is much to be learnt, for example, from the way in which a pint of Guinness will be left standing on a bar counter whilst its owner contemplates the first, fullfilling sip. Even if you know little English (and less Irish) you will learn from the nuance of the speech, and from the evident preoccupations of the people. The racing page is at least as popular as the financial page. And you will rarely be bowled over on the pavement by an impatient businessman late for an appointment.

"Augustan capital of a Gaelic nation" wrote the poet Louis MacNeice. The dichotomy—two cathedrals, two universities, two languages, two traditions, native and imported—is a potent one. The externals—the appurtanances of internationalism—are the same as everywhere. Not far beneath the surface, however, is something rather refreshingly different.



When economic times were good, a Simca assembly line in Poissy, France, rolls along.

Europe's Auto Industry

Economic Difficulties Parallel Those in the U.S.

H. PETER DREYER, *European news editor for* The *[New York]* Journal of Commerce

People in the industrialized world tend to deplore and try to change the situation in certain developing nations whose economies must rely on one single commodity and suffer (or benefit) according to the vicissitudes of demand for just this one product. The observer of the Western business scene, noting how incisively it has been affected in many countries by the severe drop of automobile sales, is tempted to ask whether we in turn have become monocultures as well.

The parallel is exaggerated, of course. Yet it contains a bitter kernel of truth all the same. For it is a fact that during the past 10-15 years in Western Europe (as already had happened in the United States in the two preceding decades) the automobile industry became more than merely a pivotal one. Others—steel, for instance—are that too. But because such an inordinate number of additional products, like steel and glass, textiles and lacquers, tires and electrical components, go into the making of a car, developments in this one industry determine the ups and downs of so many others also. In labor force terms, it is not merely that more than 1 million people are employed by automotive plants in the European Community, but that out of every seven-to-eight persons holding a job one is dependent—partly at least—on this one industry.

To add to the difficulty, automobile producers usually also are exporters in a big way. In Germany, France, and the United Kingdom (in 1973) the industry accounted for 14 per cent, 11 per cent, and 9 per cent of the respective countries' total foreign sales value.

Dependence on outside markets, which in Germany means that out of every five cars produced three are sold abroad, is highly advantageous in boom periods. But during a recession it will make the industry more vulnerable still, even if the ill effects are not automatic. The Italians, for instance, managed to raise their 1974 exports by 4 per cent despite a 10 per cent overall automobile production decline, a pattern undoubtedly reflecting the effectiveness of the Italian Government's domestic austerity measures.

After a year in which the EC member countries' automobile sales altogether were down by about 15 per cent, it may even seem as if—contrary to earlier popular suppositions—the lucky countries are those which have no car industry of their own but mainly shop for their needs abroad. It is surely not just a coincidence that Switzerland, which imports all its automobiles, and Austria, with its very limited auto production facilities, have been among the few European countries almost exempt from unemployment troubles so far.

That is not to say that a rigid correlation exists between automobile manufacture and unemployment. Denmark has no car industry to speak of, even if the closing down a few months ago of a General Motors assembly plant meant the loss of 300 jobs. Yet unemployment in Denmark is among the worst in the European Community.

A HIGHLY DISCRETIONARY AFFAIR

Why has the industry—so suddenly, it seems—fallen on hard days? Now that it has happened, it is possible to diagnose a variety of reasons: Added to the cyclical and structural ones which might have been foreseen (and indeed were by some persons) are such extraneous factors as the oil crisis and its implications.

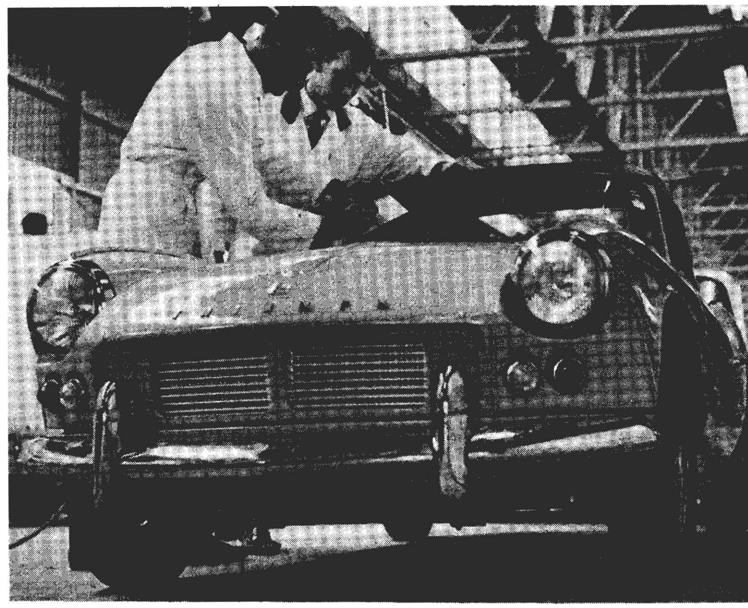
Perhaps the most basic aspect, while relatively novel to Europeans, has long been familiar to American producers. It is that the purchase of a car is a highly discretionary affair. Food, clothing, and many other household items must be bought, and the rent or mortgage interests be paid, regularly. The acquisition of a new automobile can be postponed. The family which finds it difficult to make ends meet (because inflationary price rises everywhere effectively curtail its disposable income), or which gets worried about the future (as it hears and reads so much about growing unemployment and factory closings) usually can and will make the old automobile last for another year or two or will hardly go out and buy one if it has never owned one before.

To such widespread uncertainties have been added the considerably higher costs of operating a car, with gasoline prices skyrocketing in country after country. Rising interest rates and credit tightening, developing as parts of the anti-inflation efforts of many governments, made the installment financing of car purchases both more difficult and more expensive. Furthermore, the oil crisis scare of late 1973 and the possibility of new driving curbs, such as the temporary car-less Sundays and reduced speed limits, were hardly apt to make people rush into the market place. In these circumstances the ownership especially of a big car (and for many customers buying a new automobile often means "graduating" from one model to a larger and costlier one) appeared to make little sense.

The adverse environmental aspects of a steadily increasing automobile population, the clogging up of city streets, and the spoilation of the countryside by ever new ribbons of concrete have been cited as important factors too. No doubt they are that—spiritually at any rate—to some people. But this effect ought not to be overstated. While speed limits demonstrably saved lives and non-driving Sundays fashioned a novel twist for town and country life alike, there has been no (or not enough) popular pressure for their reintroduction, once they were abolished.

By and large, it must be concluded that a large majority in Western countries, even where automobile ownership is not essential, like to have a car or long to acquire one eventually. Yet even so, it is questionable whether an industry, which over a decade and a half had averaged an annual growth rate of 8 per cent, could have continued like that year after year.

Manufacturers, it is understood, had anticipated a lean year for 1974; in the longer run, however, they had believed that the European car market would not reach saturation point until 1985. It is probably too early to say how far such estimates, made prior



Belgian workers on British cars: a Leyland-Triumph plant in Malines, Belgium.

to and in apparent unawareness of the consequences of the oil crisis, now need to be corrected. They may not even have been right in the first instance; cases of faulty long-term assumptions and planning by industry are not all that infrequent.

Growth estimates in particular are a shade suspect. Quite often they tend to ignore important ancillary considerations. Thus, by way of example, the major Swiss shopping centers now existing, under construction, or approaching the blueprint stage would (if their opponents are to be believed) be sufficient to cater for a population of 11 million. Yet Switzerland's inhabitants are not expected to number more than 7 million by the year 2000.

Even if the automobile industry's forecasts had been realistic, there remains the question of how it will cope with the recent shock, its novelty and suddenness. To read about the plight of, say, the textiles or the shipbuilding industries is nothing new; but automobiles have for so long constituted one of the most vigorous elements in our economies that to hear of their temporary faltering intensifies the mood of depression. It is also much harder for governments to come to the rescue. They have done this for textiles, for instance, by import limitations, but in an industry so dependent on exports this would be as dangerous as presumably futile. Nor are the subsidies so familiar to the shipyards, nor the public works programs and credit measures with which ailing building industries are commonly assisted, a feasible way out for the automobile industry. Making installment purchases cheaper and easier would surely be a mere drop in the bucket; in present circumstances it might not even change anything at all.

Up to a point, of course, the current difficulties are "self-liquidating." Already, there are reports from Germany and elsewhere (including the United States) that the automobile business is beginning to pick up. To the extent that the sales lag is a cyclical phenomenon there should be further improvement, as and when economic activity in Western countries gains speed. Moreover, though the useful life of a car can be stretched one or two or three years, sooner or later replacement becomes mandatory. In a society so extensively based on the availability of automobiles, most people can be expected to make this replacement and not to be frightened away forever by the higher cost of buying and operating a car (barring, of course, new oil supply and price crisis developments).

Similarly, it can be assumed that, in the absence of truly desperate turns for the worse of national payments balance situations, governments will refrain from steps whereby the purchase and maintenance of a car would become far more difficult and less attractive. Governments are under too much pressure from automobile and related economic interests; the short duration of the restrictions imposed in the 1973-74 winter proved that. Against that, however, it is worth remembering that, oil prices and general inflation quite aside, still further cost increases will gradually become inevitable. The growing clamor for a large variety of anti-pollution and other environmental measures will see to that. So will the companion demand for new, and no doubt costly, safety devices and features.

"IF G.M. TOOK OVER FIAT?"

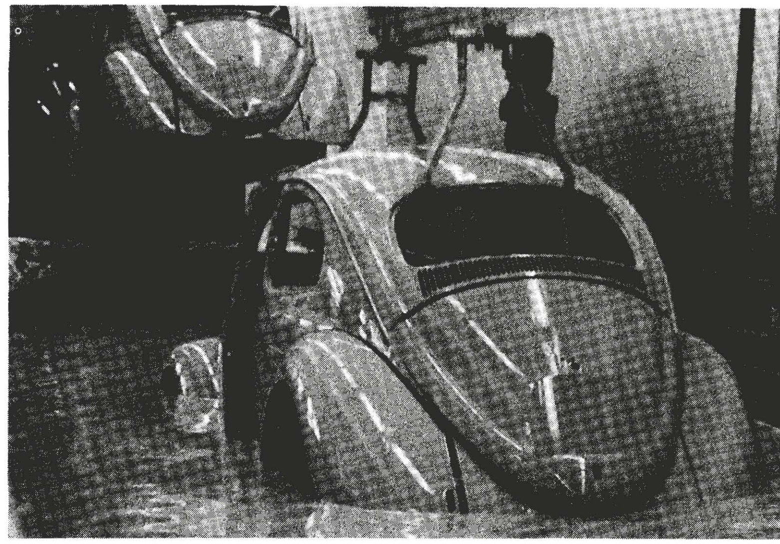
The combination of such diverse aspects probably warrants the conclusion that the automobile industry should be able to retain its current market size. It may even add a little to it. But will it achieve on top of this, as until 1973 it so clearly expected it would, the steady expansion matching that of the Sixties?

If it does not, if the many fat years are to be followed by more than just one or two lean ones, one thing appears virtually certain: Strong voices will be heard admonishing automotive producers in the European Community to cooperate more extensively, especially across national borders. In fact, from some quarters such pleas already have come.

There is nothing wrong with such efforts, of course, and plenty of scope for them too. Yet it would be a mistake to consider this as a universal cure, a kind of industrial aspirin guaranteed to take care of all headaches and other pains. It is as well to point out the limitations also.

First of all, size gives no assurance of success. General Motors, which surely is big enough, performed miserably last year. A rather small manufacturer like Bayerische Motoren Werke AG, of Munich, did remarkably well in the circumstances.

Secondly, which may not be generally realized, there already exists an enormous amount of cooperation and related accords within the European automobile industry. A sketch of all these—national and transnational both—arrangements looks like nothing so much as a highly intricate cobweb.



"Plunge bath" of prime paint on assembly line in Volkswagen's factory at Puebla, Mexico.

Thirdly, at a time when so many of our intellectual endeavors are devoted to castigating the multinational companies, do we honestly wish to build up more and bigger ones? For this after all, is what intensified cooperation would inevitably lead to in many instances. It would also, which is nearly the same thing, undermine the cartel and antitrust policies which the Community is developing.

Last but not least, unlike producers of steel, textiles, and many other goods, who are mainly anonymous entities to the end customer, automobile manufacturers are not. They, as well as the cars they turn out, tend to be intensely personalized. There may be a certain snob value for a Frenchman to drive a Jaguar, for a German to drive a Citroen, and for an Italian to own a Mercedes. Yet the bulk of the people are attached—on a basis of national emotions—to cars of their own countries.

About 10 years ago, when the wave of American company acquisitions in Europe neared its crest, some Italian bankers told this writer: "We don't care which Italian firms are bought up by the US corporations. But if ever General Motors were to take over Fiat, all hell would break loose in Italy." The furor some weeks ago when 15 per cent of Daimler Benz passed into Arab hands, and the sigh of relief when a still bigger holding in this same company was "saved" for Germany, would indicate that things have not changed too much.

It has become fashionable of late to talk of the limits of growth. If this is to have a real meaning, then surely it is that industries, instead of being compelled into their own growth patterns, should be persuaded or tempted to turn in other directions where there often is a dire need for what they may be able to deliver. For the automotive plants such alternatives should not be too difficult to create and implement.

Community News

Food and Development Aid

Council Approves EC Food Aid Program

Thirty-five countries and three international bodies will receive food aid from the European Community under the 1974-75 action plan approved by the EC Council of Ministers March 3-4.

In all, the Community is committed to providing 1,287,000 metric tons of cereals. Half of this will be granted by the EC Commission as Community aid, and half will be given under the auspices of bilateral projects in which at least one EC member state is involved.

The biggest beneficiaries will be India and Bangladesh, which are scheduled to receive 295,800 tons and 219,300 tons respectively. Then comes the Food and Agriculture Organization (FAO) World Food Program, which will receive 127,000 tons, and the countries of the Sahel, Gambia, and Ethiopia, with a total of 100,000 tons. At the tail end of the list are Rwanda and Afghanistan with 2,500 tons each.

The full list of recipient countries is:

- *Europe:* Cyprus and Malta;
- *Africa:* the countries of the Sahel, Gambia, Ethiopia, Burundi, Dahomey, Mauritius, Kenya, Rwanda, Somalia, Sudan, Tanzania, Tunisia;
- *Middle East:* Lebanon, Egypt, Jordan, Syria, Yemen Arab Republic, People's Republic of Southern Yemen;
- *Far East:* Afghanistan, Bangladesh, India, Indonesia, Pakistan, Philippines, Sri Lanka;
- *Latin America:* Haiti, Honduras, Peru;
- *International organizations:* World Food Program, United Nations Children's Emergency Fund, and United Nations Relief and Works Agency.

A reserve of 166,200 tons has been set aside for emergencies.

Ortoli Hails EC-ACP Lome Convention

The Lomé Convention "represents, in the field of international cooperation, the most comprehensive and thorough-going attack yet made on poverty and underdevelopment," EC Commission President François-Xavier Ortoli said February 28 on the occasion of the signing of the convention in Lomé, Togo.

The convention is a wide-ranging, five-year trade-and-aid agreement linking the Community to 46 African, Caribbean, and Pacific (ACP) countries. "The Lomé Convention proves that it is possible . . . to bring about the difficult birth of a new world order through cooperation, not confrontation," Ortoli said.

Comprehensive Development Program

An action program for developing countries not signatories to the Lomé Convention, which broadly speaking means those in Asia and Latin America, was unveiled March 5 by the EC Commission.

Over the next five years 730 million units of account (UA) in aid, the Commission said, shall be devoted to development programs concentrating on increasing these countries self-sufficiency in food. (One UA equals one 1970 dollar.) In the first year—1976—the amount allocated would be UA 100 million, rising to UA 200 million in 1980.

Approximately 84 per cent of the sums would be in outright grants, the rest in the form of soft loans from the European Investment Bank. Specific sums would be set aside for promoting regional cooperation, trade promotion, and a UA 10 million emergency reserve fund to be used in the event of natural disasters, etc.

Cheysson Addresses UNIDO Conference

The organization of an interdependence among nations represents for Europe the best means of compensating for its own dependence, said EC Commissioner Claude Cheysson at the second general conference of the United Nations Industrial Development Organization (UNIDO), March 12-26 in Lima.

While industrial development is essential for the developing countries themselves, Cheysson said, it also corresponds to the interests of European countries, whose economies are too limited in space and whose dependence on raw materials and markets of the "Third World" is thus great.

The Commissioner responsible for the EC development aid and cooperation called attention to the Community's past efforts to enlarge the market for the Third World's industrial products, such as the generalized preference plan and the Lomé Convention. This convention, Cheysson said in quoting its preamble, constitutes a "new model of relations between developing and developed states."

The UNIDO conference was held to determine basic principles for an international declaration on development and industrial cooperation and to define a wide range plan of action for assistance to developing countries.

Food Aid for Former Portuguese Colonies

A proposal on food aid supplies for former Portuguese colonies Guinea-Bissau and the Cape Verde Islands has been made to the Council of Ministers by the Commission.

Guinea-Bissau, which is one of the 46 African, Caribbean, and Pacific countries which signed the Lomé Convention February 28 with the Community for trade and aid, would receive 3,000 tons of cereals, 250 tons of skimmed milk powder, and 350 tons of butter oil. The Cape Verde Islands would receive 2,500 tons of cereals, 150 tons of milk powder, and 100 tons of butter oil.

EC Aid in Units of Account Redefined

A new value has been set for the European unit of account (UA) to express amounts of aid to the 46 African, Caribbean, and Pacific countries linked to the Community by the Lomé Convention. The announcement was made in Brussels following the March 18 meeting of the EC finance ministers.

The unit of account, to be used by the European Development Fund and the European Investment Bank, is based on a basket of EC member state currencies. The initial value of one UA corresponds to the June 28, 1974, value of one International Monetary Fund Special Drawing Right (SDR). The Commission will calculate daily values for the unit, which would change with the fluctuations of the member states' currencies exchange rates.

To Renew and Improve Preference Plan

Generalized preferences are "a fundamental instrument of development cooperation," according to the EC Council of Ministers, which pledged at its March 3-4 Brussels meeting to continue to "work uninterruptedly and progressively toward improving such preferences."

Originally the generalized preference plan, under which developing countries' finished or semi-manufactured products in most cases come into the Community duty-free, was intended to run only to 1980. By that time it was hoped the "Third World" would have deveoped sufficienty to be able to comete on an equal footing. Now, however, the Council said it believes extension beyond 1980 is necessary.

In the meantime, improvements will concentrate on simplification and better administration of the plan, with particular attention to the export potential of the developing countries and the interests of the less favored countries.

Five African Countries To Get EDF Aid

The Commission approved five European Development Fund (EDF) grants totaling 11,297,000 units of account (UA) in Brussels on March 10. (One UA equals $1,20635 at current rates.)

The countries, all signatories to the Lomé Convention, receiving the grants are:

- Malagasy Republic: UA 5,041,000 for bridges and access roads on the southern central highway;
- Somalia: UA 4,053,000 for a grapefruit plantation, buildings, roads, wells, and other agricultural improvements;
- Togo: UA 1,044,000 for development of cattle breeding;
- Chad: UA 673,000 for a bridge over the Ba-illi River;
- Dahomey: UA-486,000 for expanding the Cotonou water supply system.

Energy

Commission Speaks Out on Oil Dialogue

In view of the April opening of consumer-producer dialogue in the form of a preliminary conference in Paris, the EC Commission has sent to the Council of Ministers ideas on international energy cooperation and development of alternative energy resources to oil.

The Commission believes that the consumer countries' determination to reduce energy supply dependence on imported oil, which has already been stated in an EC resolution, "will only be effective if it is expressed in the terms of an effort made to develop alternative resources based on coherent guidelines and on solidarity in the apportionment of benefits and costs."

The oil-consuming nations, the Commission said, should adopt a joint position based on the principles of mutual access to energy resources, nondiscriminatory price and access conditions, common exploration and energy production goals, and profit sharing.

The Commission feels these measures should be backed up by a price system which would guarantee that decisions on prices would under no circumstances endanger long-term energy supply development, would guarantee a return on investments necessary to attain the politically desirable degree of supply security, and would make it possible in special circumstances to maintain or develop production of certain sources of energy even where the cost exceeds the level deemed acceptable under the security criteria.

Focus on Consumer-Producer Relations

Coping with the economic impact of increased energy costs, higher raw material prices in general, and the increasing combativity of the commodity producers is one of the priority topics on the agenda of EC meetings at present.

Foreign ministers' meeting in Brussels March 4 adopted a declaration setting out the principles of cooperation on these issues among the consumer countries as a prelude to the European Council meeting in Dublin (see page 7). The member states agreed in Brussels to Commission proposals (see accompanying story) that consumer countries should mutually recognize each others' right to unrestricted access to energy resources, that they should not practice any price discrimination among themselves, that they will set energy production goals jointly, and share the costs of developing new sources of energy.

In Dublin it was agreed to prepare for a top-level meeting of consumer countries (developed and developing) and producer countries in July through a Community committee of senior officials and to envisage the possibility of discussing not only energy but connected questions concerning economics, finance, and the developing countries as well.

EIB Help For UK Nuclear Power Plants

The European Investment Bank (EIB) recently granted two 12-year loans totaling more than $56 million to help build new nuclear power plants in the United Kingdom.

The loans went to the South of Scotland Electricity Board for construction of a nuclear power station on Scotland's west coast and to the Electricity Council of Hartlepool for the construction of a similar plant in northeastern England.

Britain has received more than $327 million in EIB loans since entering the European Community—more than $118 million since last summer.

EC Natural Gas Production Climbs

There was a 15 per cent increase in production of one of the Community's most important indigenous energy resources—natural gas—in 1974, following a 14 per cent increase in 1973.

Natural gas now accounts for 95 per cent of primary energy output in the Community, which is virtually self-sufficient in that energy source. Only 4 per cent of its total needs were imported in 1974—a one point increase over the previous two years. These imports, which come mainly from Algeria, Libya, and Russia, go primarily to France and Italy with a much smaller proportion being sold to Germany and Britain. The United Kingdom meets 98 per cent of its own needs but as yet exports very little to other countries.

The Dutch are the Community's big gas traders, meeting not only

100 per cent of their own needs but 100 per cent of Belgium's and Luxembourg's, 49 per cent of Germany's, 46 per cent of France's, and 9 per cent of Italy's.

The last three countries all have indigenous production which meets some of their needs as well; but in France and Italy this fell in 1974, by 1 per cent and 2 per cent respectively. In Germany the production increase was moderate, at 7 per cent. The big growth areas were the Netherlands at 19 per cent and the United Kingdom at 21 per cent.

Little Growth in EC Electricity Use

Electricity use in the European Community during 1974 showed the lowest growth rate in 25 years, according to recently published EC statistics.

Net electricity consumption in the nine EC countries reached 993,000 kilowatt hours last year, an increase of 2 per cent over 1973. The slowdown was attributed to a general stagnation of most EC industrial activity—prompted by the energy crisis—an unusually warm winter, and the British miners' strike in the early months of 1974.

External Relations

Soames To Journey to China This Spring

EC Commission Vice President Christopher Soames, responsible for external relations, will visit the People's Republic of China in the first part of May.

Traveling at the invitation of the Institute of Foreign Relations of the People's Republic of China, Soames will spend several days in Peking discussing future EC-China relations with Chinese authorities.

He will be accompanied by two or three senior Commission officials.

EC-Hong Kong Textile Agreement Nears

The European Community soon hopes to conclude a bilateral textile agreement with Hong Kong, following intensive negotiations in Brussels, March 17-20. The negotiations were held within the framework of the General Agreement on Tariffs and Trade (GATT).

The Community accepted administration of export restraints by Hong Kong as a premise for negotiations and voiced hope for early agreement on Community proposals regarding products to be covered, base levels, and growth percentages.

EC-Mexican Trade Negotiations to Begin

The EC Commission was given the go-ahead by the Council of Ministers on March 4 to open negotiations for a trade agreement with Mexico, following a Mexican Government request for such talks.

The EC-Mexico accord would be a five-year, non-preferential agreement similar to the EC-India pact. An EC-Mexico joint commission would be set up to oversee the accord and to further economic and commercial cooperation.

Social Policy

Commission Calls For Equal Treatment

"The costs and procedures facing women who find it necessary to challenge discrimination in a formal way," EC Commission Vice President Patrick J. Hillery said on March 24 in Brussels, "must be kept to an absolute minimum."

Hillery, responsible for EC social policy, was briefing the European Parliament's social affairs and employment committee on the Commission's recent proposals for implementing the EC principle of equality of treatment for men and women. "Although the Commission's memorandum and directive were not originally conceived as a contribution to international women's year, their emergence during 1975 has proved most timely," Hillery said.

"The Commission's social action program mandate is to take action to ensure equality between men and women regarding access to employment, to vocational guidance and training, and in respect of work conditions and pay. . . . All women must be able to benefit, and I would like to think that in implementing this directive each member state would consider setting up an agency with clearly defined responsibilities and powers to help women to obtain their rights in a way that avoids the complexity and expense which is so often a part of legal proceedings. One effective way of doing this might be the appointment of women's rights commissioners."

New Institutions Set in Berlin, Dublin

Berlin and Dublin are to be the sites of two new Community institutions—the European Center for the Development of Vocational Training and the European Foundation for the Improvement of Living and Working Conditions, respectively.

The vocational education center will be a scientific and technical body with a small but specialized staff capable of promoting exchanges of information and experience, of distributing documentation, and of initiating research and experimental projects. The foundation will develop and pursue ideas on the medium- and long-term improvement of living and working conditions in the light of practical experience and identify factors leading to change.

The EC social affairs ministers decided on creation of both bodies in December 1974, but left undecided at that point where the two organizations would be headquartered. Foreign ministers settled this issue at January and February meetings. The location of the vocational training center extends the spirit of the Common Market Treaty, which contained a protocol pledging to help develop Berlin.

Commission Works to Protect Consumer

The EC Commission has completed work on a consumer protection program that focuses on five areas of improved means of protection, information, and legal rights for European consumers.

The first point concerns better protection of the health and safety of the consumer. The Commission hopes to establish European standards for foodstuffs, cosmetics, detergents, textiles, cars, medicines, fertilizers, and chemical additives to packaged food, so that all elements deemed unsafe are eliminated or at least accompanied by a warning to the consumer when marketed.

Common rules would regulate consumer credit and purchasing policies, including advertising, in order that the economic interests of the consumer are protected from deception.

Legal procedures would be defined more strictly to aid the consumer's right to claim damages. Means of arbitration would also be established to speed up the settlement process.

The Commission would set new provisions for labeling and make comparative tests of products for the enlightenment of the consumer.

Fifthly, there would be greater consumer participation in decision-making. Apart from the improved status of the EC Consumers' Consultative Committee, several consumer organizations would be represented on the EC Economic and Social Committee.

Eighth ECSC Housing Program Underway

The European Coal and Steel Community—which from 1956 to 1974 financed construction or modernization of almost 140,000 homes for coal and steel workers under seven consecutive financial aid programs—has now embarked on its eighth program, for the period 1975-78. For the first two years, more than $30 million have been made available.

Of the 139,915 units financed in the first 19 years, 85,000 were in Germany; 26,500 were in France; 8,500, in Belgium; 7,000, in Italy; 5,500, in the Netherlands; 1,100, in Luxembourg. As the three new member states did not join the Community until 1973, the numbers for them are correspondingly smaller: 6,000 in the United Kingdom; 190 in Ireland; 125 in Denmark.

Agriculture

Commission Assesses EC Farm Policy

On the whole the EC common agricultural policy (CAP) works well, concludes the recently completed stocktaking exercise carried out by the EC Commission.

While admitting the inability so far of the policy to cope with certain short-term imbalances and fully to make up the gap between farm incomes and industrial wages, the Commission said the CAP has assured security of supply, reasonable prices to the consumer, stable markets, and increased productivity.

The most notable shifts in policy advocated in the Commission document, which was given a first reading in the Council of Ministers on March 3-4, are for more attention to be paid to Community consumers' interests when there are surpluses rather than selling the excess outside the Community, to make farmers share responsibility for surpluses, and to look into the possibility of the Community becoming an export-oriented agricultural producer by concluding long-term contracts for sales to "Third World" countries.

In addition, the Commission said the policy's effectiveness has been undercut by the lack of interaction with EC regional, monetary, and social policies. The Commission recommended keeping the EC guaranteed price support system as a key CAP element but said direct income support measures and consumer subsidies should be accorded a much more important role.

Institutions

New President For European Parliament

The European Parliament has a new president, Georges Spenale, elected on March 11. Spenale replaces Cornelis Berkhouwer, president since March 1973.

Spenale, a Frenchman from the Parliament's Socialist Group, was born November 29, 1913, in Carcassone, France. A member of the French National Assembly since 1962, he was appointed to the European Parliament in December 1964.

Spenale has served as chairman of the Committee for Finance and Budget, as chairman of the Socialist Group, and as a member of the Committee on Development and Cooperation. He led the European Parliament's drive for increased budgetary powers.

Presidents FitzGerald and Canonge Meet

As part of a policy of increasing contacts between the Council of Ministers and other Community institutions, current Council President Garret FitzGerald had a working lunch February 27 with Henri Canonge, president of the Community's Economic and Social Committee.

Canonge stressed the role the Committee could play in the Community of the future in the context of European Union. The regional and social funds should be regarded as priorities and bigger roles should be assigned to the European Parliament and the Commission, Canonge said.

FitzGerald broadly endorsed these aims, supported the principle of direct elections to the European Parliament, and stressed the need for strengthening links between ministers and the interest groups which are represented in the Economic and Social Committee.

Education

EC University Institute Commences

Nearly 20 years after it was first proposed at the Conference of Messina, the European University Institute at Florence became a reality March 20 as the superior council of the postgraduate institute met to appoint its president and general secretary for the imminent opening of the academic year.

Max Kohnstamm, the first general secretary of the European Coal and Steel Community (ECSC) High Authority and currently vice chairman of the Action Committee for a United States of Europe, was officially named president of the institute, and Marcello Buzzonetti, a former EC Commission official, was nominated to assist Kohnstamm as general secretary. As president of the institute, Kohnstamm will have the power to appoint heads of departments and the teaching faculty, besides directing the school's administration.

The aim of the institute, as set forth in the 1972 convention, is "to contribute in the field of higher education and research to Europe's cultural and scientific heritage, including Europe's diversity as well as its unity." The institute's financing is prorated among the EC member states. After 1978, the institute may be financed directly from Community funds.

Housed in the former complex of the Badia Fiesolana, the European University Institute at Florence will maintain four departments in history and civilization, economics, law, and political and social sciences for approximately 300 students. Most work will be conducted through seminars and research teams. Those who will have attended the institute at least two year and completed an original piece of research will obtain the title of doctor of the European University Institute in Florence.

Americans at the College of Europe

Applications from American students are now being taken for the 1975-76 academic year at the College of Europe.

Located in Bruges, close to the Brussels headquarters of the EC Commission, the College of Europe is a postgraduate institute whose program, intensive and limited to one academic year, is dedicated to the study of European integration. Every year about 20 nationalities are represented among the students and about 10 among the professors.

Each student registers himself in one of the specializations—administrative, economic, legal, or social—according to his previous education, and is free to organize for himself the multidisciplinary part of his work program by choosing four optional courses. There are eight obligatory examinations. The College of Europe admits university graduates in disciplines corresponding to its four specializations. All candidates must be competent in English and French.

Requests by American students for application forms and information should be made to: Information and Admissions Bureau, College of Europe, Dyver 7, B-8000 Bruges, Belgium.

Economy

EC Unemployment Continues To Rise

There are currently 5 million people unemployed in the European Community, according to statistics released in March.

The most recent figures available for the member states show a continuing inexorable rise in the unemployed—ranging from a 5 per cent rise in Italy over the situation 12 months earlier to a 160 per cent increase in Denmark. Luxembourg is in the most enviable position with only 140 persons unemployed, too small a share of the working population to make it feasible to calculate a percentage.

Elsewhere, Britain is best off with 3.3 per cent unemployment, but this does not include Northern Ireland, whose figures (6.7 per cent unemployment in January) are collated separately. In France unemployment is at 4.3 per cent; Germany, 5.1 per cent; Netherlands, 5.2 per cent; Italy, 5.3 per cent; Belgium, 5.7 per cent; Ireland, 8.1 per cent; Denmark, 11.8 per cent.

Gloomy Forecast Given by Commission

The main message of a March 5 Commission revision of its economic policy recommendations for 1975 is that the recessionary trend was underestimated in the original September forecasts and the outlook is gloomier than first thought.

The Commission is forecasting only 1.5 per cent growth in 1975 and can detect only one trend providing grounds for optimism—underlying business confidence evidenced by maintenance of investment programs in several countries. The revised estimates were broadly endorsed by EC finance ministers on March 18.

The Commission recommends restraint in general but cautious expansion in countries with balance of payments surpluses. It sets reduction of unemployment, the fight against inflation, and the restoration of sound balance of payments positions as the priorities. The Commission also calls for the gradual elimination of disparities among the EC member states' economic policies, which are seen as a threat to Common Market cohesion.

Business Cooperation Center Results

Nine hundred "matchmaking" requests have been received by the Business Cooperation Center, according to its first annual report.

The center was established by the Commission in April 1973 to ease cross-frontier cooperation programs and partnerships between small and medium-sized firms in EC member countries. Of the agreements concluded through the center, six involved Britain. Belgium, Germany, and the Netherlands accounted for three.

The Commission cited organizational problems, the companies' capital market positions, and insecurity created by the general economic situation as obstacles to increased partnerships.

Regional Development Fund Takes Shape

The European Community's Regional Development Fund has taken shape, following agreement on its operating rules by the EC Council of Ministers on March 4.

The fund will give Community aid to areas where there are problems resulting from industrial change, structural underemployment, or overdependence on agriculture. A regional policy committee will ensure efficient use of the resources provided for regional development.

Aid totaling UA 1,300 million ($1,568 million) has been allocated for 1975-77. Italy and Britain will receive the largest amounts—40 per cent and 28 per cent of the total, respectively.

Commission Seeks Commodities Policy

The EC Commission believes the time has come to draw up and implement a long-term European commodities policy.

In a January memorandum to the Council of Ministers and the European Parliament, the Commission analyzed the main problems: inadequate information about commodity situations, prospects for each commodity, excessive reliance on some sources, price fluctuations, and supply bottlenecks. The Commission also assessed the various possible solutions: recycling, substitution, seabed resources, prospecting in developing countries, buffer stocks, and long-term contracts or international agreements.

The Commission hopes that the Council of Ministers will shortly adopt guidelines for a common policy and strategy for commodities, against a background of increasing scarcity and growing producer cartels. The Community is 70-100 per cent dependent on external sources for major commodities.

Pessimism Found Pervasive in Europe

Europeans expect a very gloomy 1975. A Gallup poll conducted in December 1974 shows that pessimism dominates everywhere, except in Greece.

A majority in the EC countries surveyed (Germany, France, Britain, Italy, and the Netherlands) think that 1975 will be a year of economic trouble and of political tension. In other European countries surveyed (Spain, Sweden, and Switzerland) the forecast is slightly more optimistic. In the EC countries surveyed, 50-62 per cent foresee even greater problems this year than in 1974.

EC Consumer Prices Keep Moving Up

Consumer prices went up by an average of 14.7 per cent in the European Community during the 12 months ending in September, according to a recent report by the Organization for Economic Cooperation and Development.

Only three EC countries recorded below the OECD average rate of inflation—Luxembourg (10.6 per cent), the Netherlands (10.3 per cent), and Germany (7.3 per cent). The US figure (12.1 per cent) also stayed below the OECD 14.1 per cent average.

The highest inflation in the Community came in Italy (23.7 per cent). Prices went up at a rate of 17.9 per cent in Ireland, 17.1 per cent in Britain, 15.9 per cent in Denmark, 15.6 per cent in Belgium, and 14.8 per cent in France.

Harmonization

Simplifying EC Customs Procedures

A new wide-ranging program for simplifying customs procedures in the European Community was proposed to the Council of Ministers by the Commission, February 27.

The two-year program deals with customs nomenclature, regulations, rules of customs procedures, and documents and information required of importers. This is the third and most comprehensive plan submitted by the Commission since June 1973.

At a February 28 press conference in Brussels, Commissioner Finn Gundelach said the program was designed to eliminate bureaucratic difficulties for private citizens as well as for commercial traders. Merely cutting 1 per cent off the total cost of administering customs procedures (in itself equal to 7.5 per cent of the value of the trade handled) would result in a saving to taxpayers of more than $150 million, Gundelach said.

Setting Standards and Improving Safety

Toward improving health standards as well as setting uniform standards to facilitate free trade, the EC Commission made January proposals to the Council of Ministers in areas as diverse as electrically-driven hospital beds and the lead content of special crockery for children.

The proposals, made within the framework of the Community's industrial and environmental action programs, cover:

- electro-medical and X-ray equipment
- classification, labelling, and packaging of pesticides
- lead and cadmium in table and kitchenware
- construction equipment, permitted noise levels for construction equipment in general and pneumatic drills in particular.

Science and Technology

Club of Rome Computer Model Tested

Members of the European Parliament recently had an opportunity to assess the practical applications of a computerized forecasting device to test political decisions and assumptions about the Community's future place in the world.

The politicians—none of whom were computer experts—were given a three-day demonstration in Hanover, Germany, in late February of the world model developed for the Club of Rome. The politicians taking part in the demonstration simulated certain crisis situations—in energy and food, for example—and then ran them through on the computer to see the effects and the possible solutions.

Although it was stressed that computer technique cannot at any time replace political decision-making, it can—as EC Commissioner Guido Brunner pointed out —be "of particular assistance in assessing the effects of a given political decision on society more rapidly and more accurately than hitherto."

If the results of the current Commission examination of the usefulness of the "Europe plus 30" program, projecting possible developments in Europe over the next 30 years, are positive, the Commission will also consider setting up its own permanent forecasting device.

Preventing Databank Privacy Invasion

Proposals to protect the rights and privacy of European Community citizens from abuse of personal information stored in databanks are being drafted by the EC Commission.

Emphasizing the need for immediate EC action, Commissioner Guido Brunner told the European Parliament in February that supranational or international control would come too late to prevent abusive country-to-country data transfer practices. Brunner is responsible for research, science, and education.

The Parliament will supplement the Commission's work in this area by setting up a working party and holding hearings with experts.

Toward an EC Data-Processing Policy

In its first concrete move toward a Community data-processing policy, the EC Commission has five suggestions which it hopes will be adopted by July 1975:

- Organ and blood matching databank: Meeting an urgent need to match information on donors and recipients throughout the Community, the databank would pay for itself within two years.
- Data-processing systems for information on trade and customs union and on management of agricultural market organizations and their financial control: A long-term feasibility study would prevent national computerized information banks currently under development from overlapping and thus allow an annual savings of well over 100 million units of account (UA). (One UA equals one 1970 dollar.)
- Retrieval of legal documents: This would explore user requirements, analyze existing têchnologies, and identify common development needs in providing access to Community law.
- Real time data-processing systems for air traffic control: This feasibility project would determine common design specifications for replacing existing systems, most of which will have to be changed in the late 1980's.
- Computer-aided design techniques: Two separate development studies would define and assess the economic benefits of a development program in logic-circuit design in electronics and integrated design systems management in construction.

The five Commission proposals carry an estimated total price tag of UA 4 million.

Member States

Italian Government Lifts Import Curbs

The EC Commission applauded the Italian Government's March 24 lifting of import and credit restrictions imposed May 8, 1974. The restrictions, which required importers to deposit an amount equal to 50 per cent of their imports' value, were imposed in an effort to improve Italy's balance of payments.

The Commission authorized the restrictions—which covered about 40 per cent of imported goods—with the stipulation that they be removed as soon as Italy's balance of payments improved. Agricultural products were exempted from the restrictions last November.

Medium-term EC financial aid to Italy, the result of a November 18 EC Council decision, helped relieve some of Italy's balance of payments difficulties.

Community Calendar March 1975

3 Commission advises the Dutch Government about the compatibility of its recently enacted law setting minimum natural gas prices with EC competition rules.
3-4 Council of Ministers, meeting in Brussels, adopts food aid action plan (see page 16), discusses generalized preferences (see page 17), and approves regional development fund (see page 20).
4 Commissioner Claude Cheysson, responsible for development policy, addresses colloquium on sugar in London. Commission approves modifications for subsidized Italian imports of sugar.
5-10 Commissioner Petrus J. Lardinois, responsible for EC farm policy, visits Israel for talks on long-term agricultural trade agreements.
5 Council of Ministers meets in Brussels to discuss fishing, hill farming, and other agricultural matters.
5 Commission meets to discuss the upcoming European Council (see page 7), the EC economic situation (see page 20), and aid to non-associated developing countries (see page 16).
7 Additional protocol is signed in the EC-Greece Association on tariff reductions of Greek wine imports into the three new EC member states.
10-11 First European Council meets in Dublin (see page 7).
10-14 European Parliament holds plenary session in Strasbourg, elects new president (see page 19), and hears reports from Commission President François-Xavier Ortoli and Council President Garret FitzGerald on the European Council.
12 Commission meets to discuss the results of the European Council.
12-13 Member state Permanent Representatives meet in Brussels.
12-26 Commission and Council of Ministers participate in the second general conference of the United Nations Industrial Development Organization (UNIDO), in Lima (see page 16).
14 Commission President Francois-Xavier Ortoli meets with Organization for Economic Cooperation and Development (OECD) officials in Paris.
17-18 EC-Hong Kong textile negotiations held in Brussels (see page 18).
18 Council of Ministers meets in Brussels to discuss economics and finance (see page 20).
18-19 Special committee on agriculture meets in Brussels.
19 Commission meets in Brussels.
19-20 Member state Permanent Representatives meet in Brussels.
20 Indian Government officials visit Commission to discuss science and technology.
20 South Korean officials visit Commission to discuss external relations.
20 British Liberal Party Leader Jeremy Thorpe, visiting Commission headquarters, calls the potential consequences of British withdrawal from the Community "disastrous."
24 Italian Government lifts import curbs (see page 22).
25-27 Commission Vice President Henri Simonet, responsible for energy policy, visits Egypt to discuss oil problems of developing countries.

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.

Establishing a Manufacturing Plant in Europe. By S. Rabb. Noyes Data Corporation, Ridge Park, New Jersey, and London, 1974. 373 pages. $28.00.

A comprehensive guide on investment and plant location in 22 European countries.

The book covers the practical workings of the investment incentives offered by various European governments and explores recent industrial development, forms of business organization, taxation, labor, regional development, repatriation of capital, cost factors, energy, raw materials, transportation, and financial institutions. The table of contents is organized to serve as a subject index.

Multinational Corporations, Trade and the Dollar. Edited by Jules Backman and Ernest Bloch. New York University Press, New York, 1974. 108 pages with tables, notes, and bibliography. $8.95.

A second volume from New York University's "Key Issues Lecture Series" on the problems and challenges of international economic relations.

Four dimensions of the multinational phenomenon are analyzed: protectionism, the role of the dollar, multinational performance and accountability, and foreign multinationals in the United States. These essays are supplemented with a critical analysis by the editors, which traces changes in international finance as well as in policy problems. Abraham L. Gitlow, dean of New York University's School of Business and Public Administration, provides a preface, and Harold S. Geneen, chairman of International Telephone and Telegraph (ITT) Corporation, which made the lecture series possible through a grant, provides a forward.

Pre-Experience Business Education and the ECC. By Peter Seglow and Michael Thomas. PEP, the Social Science Institute, London, 1974. 55 pages with appendixes.

An investigation of the degree to which the European dimension is emphasized in the business curricula of British colleges and universities.

The authors focus upon the qualifications requisite to the acquisition of a Higher National Diploma or a degree from the Council for National Academic Awards in business studies. The European content of business education in the other EC countries is analyzed in comparison to that of British institutions. The authors conclude that Britain ought to combine work experience with the academic process, integrate a greater European approach in existing courses, and expand the study of languages.

European Company Law Texts. British Institute Studies in International and Comparative Law No. 7. Edited by Clive Schmitthoff. Matthew Bender, New York, 1974. 322 pages with index.

A study of the various directives, regulations, and conventions of the EC Council and the draft directives of the EC Commission toward the harmonization of the company law of the EC member states.

The editor investigates company law on the basis of intent, area of application, and arrangement. Areas that are covered include the formation of the company and the maintenance of capital; mergers between joint stock companies; annual accounts of limited liability companies; and the regulation of securities issued by companies when admitted to official stock exchange quotations. The draft statute for a European company and the convention on the mutual recognition of companies are analyzed.

Regional Policy and Planning for Europe. Edited by Morgan Sant. D. C. Heath and Company, Lexington, Massachusetts, 1974. 268 pages with notes, references, and tables.

An investigation of the role and nature of regional policy.

Among the topics discussed are regional economic policy in the United Kingdom, EC regional policy, regional policy administration, regional policy objectives from the industrial perspective, and planning research. The need for public intervention in economic and social life is examined. A foreword by Lord Zuckerman explains that the primary objective of regional planning is the better management of national resources for national development.

East-West Trade. Edited by Kazimierz Grzybowski. Oceana Publications, Dobbs Ferry, New York, and A. W. Sijthoff, Leiden, 1973. 307 pages with notes, appendices, and bibliography. $16.00.

A collection of articles on the development of economic cooperation between capitalist and socialist systems within a legal framework.

The book explores the institutionalization of foreign trade on a global basis and the resulting emergence of an operative jurisprudence for both capitalist and socialist countries. Individual case studies are provided. The editor is a law professor at Duke University.

The GATT Negotiations, 1973-75: A Guide to the Issues. By Sidney Golt. British-North American Committee, Washington, London, and Montreal, 1974. 82 pages with appendices and lists. $2.50.

A summary of the issues in the present General Agreement on Tariffs and Trade (GATT) negotiations with particular reference to their implications for the United States, Canada, and the European Community.

After a background sketch of the present round of GATT negotiations, the author points out the major negotiating constraints and the particular issues of debate and examines the participants' stated positions as well as negotiating outlooks. Positions on manufactured goods, agriculture, nontariff measures, safeguards and adjustment assistance, and developing countries are discussed.

International Environmental Law. Edited by Ludwik A. Teclaff and Albert E. Utton. Praeger Publishers, New York, 1974. 271 pages with notes and index. $13.50.

Discussions on a new branch of international law, emerging as a result of the impact of environmental concerns.

Authorities analyze the principles on which this new law rests and trace descriptively the evolution of international protective measures for the main elements of the environment—air, land, and water. Weather control and outer space aspects of international law are also discussed.

Restrictions on International Trade in Steel. By Craig R. MacPhee. Lexington Books, D.C. Heath and Company, Lexington, Massachusetts, 1974. 196 pages with tables and index. $15.00.

A study of international trade in steel, the most basic of all manufactured goods.

The book's first part focuses on the various tariffs and other trade barriers erected by the main steel-trading countries. The second part details nontariff barriers. In the preface, the author, a professor of economics at the University of Nebraska, emphasizes the importance of steel and the difficulties involved in measuring its impact on international economics.

Publications Available

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

THE EUROPEAN COMMUNITY IN MAPS. Commission of the European Communities, Brussels, 1974, 4 pages plus 12 maps .... free
Set of 12 maps covering regions, population, agriculture, energy, labor force, industry, transport, external relations, and external trade of the enlarged Community. Available in bulk for classroom use.

ABOLITION OF TECHNICAL BARRIERS TO TRADE IN INDUSTRIAL PRODUCTS DURING 1974. *Information Memo P-7/75,* Commission of the European Communities, Brussels, February 1975, 15 pages .... free
Outlines the Commission's approach to harmonization of industrial product standards and discusses proposals submitted. Annexes list directives adopted and proposals submitted to the Council as of January 1, 1975.

FIRST STEP TOWARD DIRECT ELECTION OF EUROPEAN PARLIAMENT. *Background Note No. 7/75,* European Community Information Service, Washington, DC, February 4, 1975, 8 pages .... free
Summary of the draft convention adopted by the Parliament on January 12, 1975. Full text of the draft convention is reproduced in an annex.

COMMUNITY TAKES POLITICAL DECISIONS IN DUBLIN. *Background Note No. 9/75,* European Community Information Service Washington, DC, March 14, 1975, 7 pages .... free
Documents of the March 10-11 European Council meeting in Dublin including statement by Irish Prime Minister Liam Cosgrave, and statements on New Zealand dairy products, CSCE, energy, Cyprus.

ENERGY POLICY IN THE COMMUNITY (1973-1974). *Information Memo P-69/74,* Commission of the European Communities, Brussels, December 1974, 6 pages .... free
Brief outline of the energy measures proposed by the Commission in 1973 and 1974 in the areas of hydrocarbon supply, research, nuclear fuels, coal, electricity, and relations with oil-exporting and oil-consuming countries.

THE LOMÉ CONVENTION BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE AFRICAN, CARIBBEAN AND PACIFIC STATES. *Information Memo P-13/75,* Commission of the European Communities, Brussels, February 1975, 10 pages ...... free
Summary of the negotiations and convention, signed in Lomé on February 28, 1975, between the Community and the 46 ACP states. Covers the trade provisions, export stabilization fund, sugar protocol, financial and technical cooperation, and industrial cooperation.

Teaching Aids

DIRECT ELECTIONS. Ben Patterson, European Community Information Service, London, 1974, 4 pages .... free
Outlines the history and issues involved in drafting a convention for direct election of members of the European Parliament.

THE EUROPEAN PARLIAMENT. John Houghton, European Community Information Service, London, 1974, 4 pages .... free
Summary of the composition and procedures of the European Parliament and its role in Community decision-making.

THE EUROPEAN COMMUNITY AND THE THIRD WORLD (I) AND (II). Frank Ellis, European Community Information Service, London, 1974, 4 pages each .... free
Two-part survey of the Community's relations with developing countries. Covers trade and association agreements, aid, the impact of the common agricultural policy, and generalized preferences.

EAST-WEST RELATIONS IN EUROPE (I) AND (II). Charles Ransom, European Community Information Service, London, 1974, 3 and 4 pages .... free
Two-part description of relations between Western and Eastern Europe since 1945 including the development of détente, trade, CSCE, MBFR, the Community and COMECON, and environmental cooperation.

THE COMMON AGRICULTURAL POLICY (I) AND (II). Michael Berendt, European Community Information Service, London, 4 pages each .... free
Two-part summary covering the development of the common agricultural policy (CAP), the price system, the effects of the CAP on production and trade, and possible reforms.

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