

WORLD

NOVEMBER - DECEMBER 1975 NO. 191

After Franco, Europe?



CONTENTS

3 Spain and the Community *Walter Nicklin and Miguel Acoca*

Will a new Spanish Government bring new relations with the rest of Western Europe? In the meantime the European Community has suspended trade negotiations with Spain, as protest against the summary execution of five alleged Spanish terrorists. Spaniards told the Community to mind its own business.

6 The Latin American Connection *Marion Bywater*

"To be frank, we must start by admitting that in spite of all the historic links between our two continents, there is a sense in which we do not know each other well enough," said Commission Vice President Christopher Soames during his fall tour of Latin America. What are the current EC-Latin American links, and how are the two continents now getting to know each other?

10 Women in Europe *Kathleen A. Lynch*

"As individuals women are like flowers, but in quantity they are like weeds." Thus spoke a Bavarian politician about career women. But is that an accurate reflection of the situation in Europe, as the International Women's Year comes to close? And, if so, what is the European Community trying to do about it?

15 Venice Rising *Marina Gazzo and Catherine Browne*

Until a few years ago Venice seemed doomed to be another Atlantis. But now Venice is no longer sinking into the sea; indeed, it is rising, like an oceanic phoenix. Pollution remains a problem, however.

17 EC Visits

The European Community invades: A delegation of European Parliament members journeyed to Washington for its eighth exchange with Congress; Commissioners Finn Olav Gundelach and Claude Cheysson planned a mid-November trip to the United States.

18 Irish Visit

Foreign Minister Garret FitzGerald visited the United States and Canada September 24-October 10. He spoke not only about Ireland but also about the Community.

19 Community News

23 Recent Books

24 Publications Available

Cover: based on the Spanish flag.

PHOTO AND CARTOON CREDITS

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Spain and the Community

EC Reacts to Repression; What Will New Spanish Government Bring?

Generalissimo Francisco Franco, for 36 years synonymous with the Spanish Government, was dying as *European Community* went to press. His hand-picked successor is Juan Carlos de Borbon, the grandson of Spain's last king.

Whether the new Government would bring any immediate changes in internal Spanish policy remained to be seen, but the Spanish desire for closer ties with the rest of Western Europe—in particular membership in the European Community—was expected to remain constant. (“Government policy since 1962 has concentrated single-minded on getting Spain accepted as a partner in the European Community,” in the words of a British scholar.) Just as surely to remain constant, however, was the EC policy that only democracies can be accepted into the West European family.

Franco's heart attacks awakened painful European memories of the Spanish Civil War, which had brought him to power. Although a “civil war,” few Europeans had been neutral, whether in thought or deed. And the Spanish Civil War had become the prelude to Europe's own great civil war. Now most of Western Europe is united in the European Community; but the forces which tore Spain apart have never been reconciled. Two representative stanzas from W. H. Auden's poem “Spain 1937” are recalled:

*Tomorrow for the young the poets exploding like bombs,
The walks by the lake, the weeks of perfect communion;
Tomorrow the bicycle races
Through the suburbs on summer evenings. But today the
struggle.*

*‘What's your proposal? To build the just city? I will.
I agree. Or is it the suicide pact, the romantic
Death? Very well, I accept, for,
I am your choice, your decision. Yes, I am Spain.’*

The unhealed European wound of the Spanish Civil War explains in part the passions awakened this autumn by the summary execution of five alleged Spanish terrorists. West European reactions were personal, national, and EC-level: Demonstrators protested in streets across Europe; eight EC member state governments recalled their ambassadors from Madrid; the European Community suspended its negotiations with Spain.

This “intervention” in Spanish affairs, perhaps reminiscent of the Spanish Civil War, brought praise from the other side of the Atlantic. *The New York Times* commented in an editorial:

“In dealing with the combustible Iberian peninsula, the nine-nation European Community has its priorities exactly right and the United States has had its priorities partly wrong. . . . The foreign ministers of the nine Community governments agreed unanimously in Luxembourg to suspend trade negotiations with Spain. Eight of the nine members had temporarily withdrawn ambassadors from Madrid to protest the executions and to un-



Thirty-nine years ago: Franco (right) and two other Nationalist generals during the Spanish Civil War.

derscore once again the door to full European Community participation will be opened for Spain only when General Franco or his successor halts the repression and restores freedom.

“At that same session, the nine ministers agreed to provide Portugal immediately with about \$200 million in economic aid. In doing so they formally recognized that Portugal had met the Community's precondition of progress toward ‘pluralistic democracy.’ To make funds promptly available to the hard-pressed Lisbon Government, the ministers broke custom and appropriated the money directly from the Community budget, rather than waiting to have the loans guaranteed by individual member governments. . . .

“In these as well as in other recent events, it has not been the United States but its European partners who have demonstrated that they take seriously the Atlantic alliance's commitment to ‘the principles of democracy, individual liberty, and the rule of law.’ Ironically, it will almost surely turn out that in taking these ideals seriously, the Europeans also took the path of realism and enlightened Western self-interest.”

The New Yorker magazine, in its “The Talk of the Town” section, said: “The European dismay at the executions therefore represented a revulsion against broad signs of repressive vigor in the aged Franco regime. Nor were the Europeans being selective or capricious in their reaction. The Common Market had halted important trade negotiations with Greece when Greece

was under the dictatorial rule of the colonels, and many European governments had also given steady support to the democratic Socialist forces in Portugal since the overthrow of the dictatorial right-wing regime there. The Common Market, which may be the only political association in the world composed entirely of democratic governments, has shown a willingness to do what the United States has so conspicuously failed to do in recent decades: to make judicious use of its political power in order to support liberty."

"Praise" would not be the appropriate word, however, to describe the response in Spain to the actions of its West European neighbors—as the following dispatch reports from Madrid.

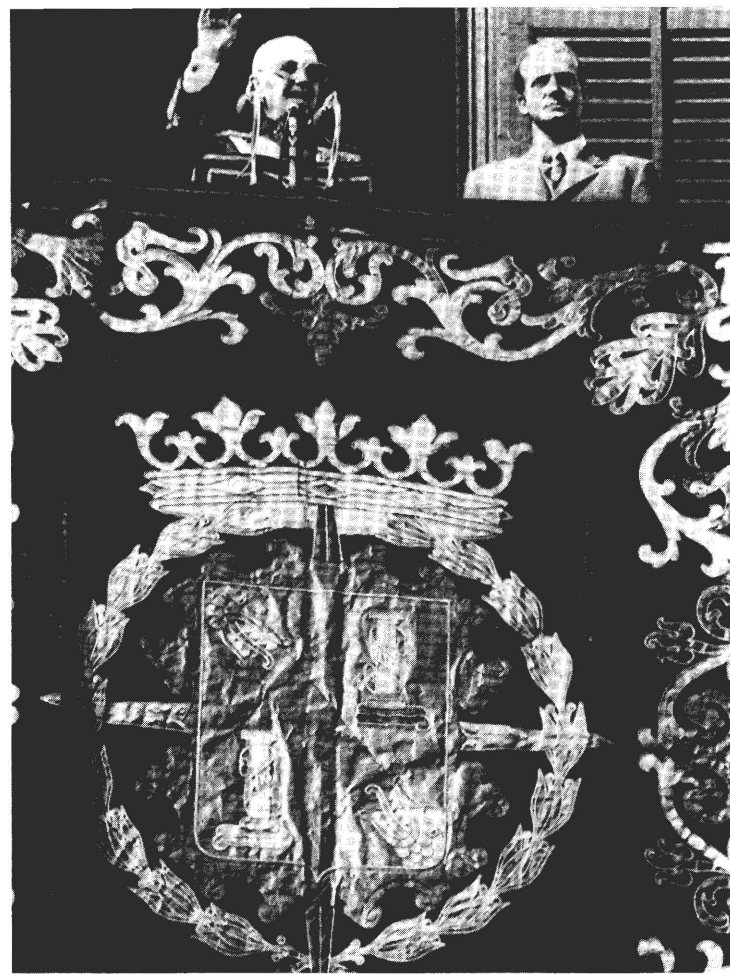
Walter Nicklin

When tens of thousands of Spaniards demonstrated October 1 in Madrid and elsewhere in Spain, they were expressing not only support for Generalissimo Francisco Franco, then a frail 82, but repudiating Western Europe, the regime's traditional enemy, for condemning the execution of five urban guerrillas convicted by military courts of killing policemen. The main theme of the orchestrated rallies was clearly aimed at the European democracies which had withdrawn their ambassadors in a gesture of protest. Newly lettered placards said: "Spaniards are grown up, Europe wants to suck our blood."

For days afterward Spain engaged in an orgy of chauvinism. Even liberal Spaniards who advocate democratic reforms were caught in the fervor. They damned the Europeans for meddling in Spain's affairs, defended the lack of due process in military trials. "After all, they are police killers," was a common refrain. "How else are we going to deal with murderers who shoot people in the back? They confessed. That's enough."

Former Foreign Minister Gregorio Lopez Bravo, the Franco favorite who was in the forefront of the Spanish drive to bring Spain into the Common Market and to establish relations with Communist Europe, told the foreign relations committee of the rubber-stamp Cortes (parliament), "If European governments and organizations seek once again to influence the course of events in our country, they are again misjudging the Spanish character. It is not on the basis of shameless pressure against our institutions that the goal of incorporating the Spanish people into common European tasks can be achieved." The message of one of the regime's leading "Europeanists" was quite clear: Lay off or you'll slow down what you want and what Spaniards want, to be part of Western Europe.

Even Pope Paul VI was berated for condemning the executions. This was an index to the passions aroused by the outcry against the regime, which many people took not as an attack on Franco and political repression but as an attack on Spain and Spanish values. For in Catholic Spain the Pope is still infallible,



Franco (left) acknowledges the cheers of supporters on October 1 at the Plaza de Oriente in Madrid. His hand-picked successor, Prince Juan Carlos, stands at his side.

but, as many Spaniards, even liberal Catholics, remarked, "He was making politics, not dealing with spiritual values."

The mood of injured national and spiritual pride gave the regime's "old shirts," the ultra-rightists who look back with nostalgia on World War II associations with Hitler and Mussolini, the sense that the country—"public opinion," they called it—was with them. Carlos Pinilla, a leader of the Falange, Spain's fascist party which is an integral part of the regime and which has enjoyed the spoils of Franco's victory in the 1936-39 civil war, told a dinner of veterans who fought in the "blue division" alongside Nazi Germany's troops against the Soviet Union, that it was time for the "ideological rearmament" of the Spanish people. A good part of Pinilla's speech on the anniversary of the creation of the anti-communist volunteer force of civil war veterans who went to the eastern front during World War II was devoted to an attack on the Spanish press, which looks to Europe and the United States for models when allowed, for promoting the "ideological dismantling of the Spanish people through persistent brainwashing, including a campaign to denigrate the regime's most representative figures." In keeping with the regime's views, the speaker also attacked Catholic priests who deliver sermons criticizing the dictatorship and challenging the concept that the death penalty is a solution for Spain's political problems.

But the posture of defiance, which created a bandwagon effect because of the regime's and Spain's history and which silenced many voices, was soon challenged. Joaquin Ruiz Jimenez, a former Franco minister and a Catholic leftist, filed appeal against the constitutionality of an anti-terrorism decree approved by Franco last August to deal with political militants and to curb the press. The decree, creating a virtual state of



Protesting against Franco: Italians gather around Rome's Spanish Steps, late September.

martial law for two years, makes death sentences mandatory in cases involving police killings and calls for summary military trials of "terrorists."

Politicians in and out of the regime began to fret that the repression represented in the decree and a reshuffle in military commanders, including the naming of an ultra-rightist as chief of the para-military Guardia Civil, meant that the dictatorship would remain in force and that the limited reforms proposed by Premier Carlos Arias were doomed for as long as Franco remained in power. They were concerned, too, that the Caudillo's designated successor, Prince Juan Carlos de Borbon, 37, would be unable to effect any changes in the regime's authoritarian structure and would be a mere figurehead.

For since 1969, when the Prince was appointed to succeed Franco, it has been hoped that he would lead Spain toward a democratic monarchy that could be accepted by Western Europe, the European Community, and the North Atlantic Treaty Organization (NATO) as a full-fledged partner. **Miguel Acoca**

Praising Franco: Spaniards rally in Cordoba, as part of the nationwide demonstrations in early October.



EC-Spain Negotiations: A History

Talks with Spain on expanding its existing preferential trade agreement with the European Community, to bring the two countries into an industrial free trade area, were suspended indefinitely as a protest against the summary trial and execution on September 27 of five alleged terrorists. On October 1 the EC Commission said it was not possible in the current circumstances to pursue the negotiations. At a meeting in Luxembourg October 6 the EC Council of Ministers backed this view.

The 1970 EC-Spain agreement, still in force, covers a period of six years during which the parties agreed to limited tariff reductions on specific products. The complete elimination of customs duties would come about in the second stage, not yet defined. The Spanish Government stated on several occasions its desire for an association agreement and not a simple trade agreement. Association offers the possibility for eventual full EC membership.

In June 1972, faced with a multitude of all kinds of agreements with the Mediterranean area countries, the Community decided to formulate a common approach with regard to all of these countries, including Spain. This approach, which was approved at the end of 1972, included a proposed free industrial trade zone, coupled with substantial EC concessions in the agricultural sector and financial cooperation with the least developed Mediterranean countries. It was decided to open negotiations, giving priority to six countries—Spain, Israel, the Maghreb countries, and Malta.

The first round of negotiations with Spain, within the framework of this approach, took place July-October 1973. The Commission then requested from the Council an additional negotiating brief, which was approved in July 1974. The negotiations resumed in November 1974 but quickly reached a deadlock.

The Community proposed to eliminate its customs duties on industrial products beginning July 1977, while Spain would have until January 1, 1980, with a possible extension to 1982, to do likewise. In the agricultural sector, the Community proposed specific concessions, designed particularly with EC enlargement in mind. The Spanish delegation, for its part, said the actual elimination of Spanish customs duties on EC industrial products should be conditional on free trade for agricultural products. There the negotiations had stalled until their suspension.

Nearly 50 per cent of Spanish exports are consumed by the EC "Nine." A little over 40 per cent of total Spanish imports are supplied by the European Community.

SPAIN'S TOTAL TRADE (In millions of dollars)

| | Exports | Imports | Balance |
|------|---------|---------|---------|
| 1968 | 1,589 | 3,522 | -1,933 |
| 1971 | 2,938 | 4,970 | -2,032 |
| 1974 | 7,091 | 15,428 | -8,337 |

The Latin American Connection

Soames Visit Focuses on "Practical Aid"

MARION BYWATER, *staff writer for the Brussels newsletter European Report*

"Some of us have perhaps tended to assume that, with the passing of the age of European world power, nothing very substantial need to or even could be done about the relationship between Latin America and the European Community," Commission Vice President Christopher Soames, responsible for EC external relations, told an audience in Brazil during his two-week South American tour this autumn. But then he hastened to deny this interpretation of relations:

"This is surely not the right view. All of this is tired and out-of-date thinking—the product of a period of fatalism and resignation which is now past. To understand what our two continents could again mean to one another, what they could again offer each other, we have to break out of the old preoccupations and preconceptions and recognize the new challenges and the new possibilities that lie before us. And in this process the European Community as such has, I believe, a major role to play. For the Community has neither a colonial past nor imperialist ambition; but it does do 40 per cent of world trade; it is the biggest importer of raw materials; it is an important supplier of technology, and its members provide a large part of such development aid as is flowing to the poorer countries. There is plenty here in itself to lead us to care about the fundamentals of our relationship."

The Commission vice president's two-week goodwill tour brought him to Guatemala, the seat of the Central American Common Market (September 18-19); Venezuela (September 20-23); Peru, the seat of the Andean Group (September 24-26); Brazil (September 27-October 2), and other points throughout the continent. Earlier this year Soames had visited Mexico, with which a trade and economic cooperation agreement went into effect on November 1.

Another major aspect of Soames' trip was the "fruitful discussion" he held with two key Latin American participants in the "North-South dialogue"—Venezuela, an oil producing nation, and Brazil, the Community's most important Latin American trading partner.

RECIPROCAL MARKETS

For Europe, Latin America is a market of 250 million people and the source of 9 per cent of the Community's extra-EC imports—a higher proportion than it gets from the African, Caribbean, and Pacific (ACP) countries which signed the Lomé Convention.

That means oil from Venezuela, coffee from Brazil and Colombia, cocoa from Brazil, tin from Bolivia, copper from Chile, iron ore from Peru, bananas from Ecuador and Costa Rica, beef from Argentina and Uruguay, cotton from Guatemala and Nicaragua; and a host of other products—vegetable oils, fishmeal, wood, hides, apples. Latin America is thus one of Europe's biggest suppliers of agricultural and industrial raw materials and primary products. And for many Latin American countries, the

European Community is the second largest trading partner after the United States; often the Community accounts for more than one quarter of their total trade.

Latin America, to paraphrase the continent's spokesman at the last six-monthly meeting in Brussels of EC and Latin American ambassadors to chew over joint problems, is also an immense market which in 1974 imported \$30 million worth of goods of all kinds (in particular capital goods, consumer durables, and chemicals) and which desires to accede to the technology and industry that Europe has to offer in a world where the economic interdependence of all countries has become more marked than ever since the energy crisis.

Yet it would be wrong to pretend that everything between the two is roses. At the same meeting it was pointed out that whereas Latin America's share in total EC imports remained at 4-6 per cent in the Sixties, it fell to 3.8 per cent in 1973, 3.3 per cent in 1971, and 3.1 per cent in 1972 and 1973. At the same time Latin America's share in EC imports of the basic products which make up 80 per cent of the continent's exports to the European Community fell from 13.2 per cent in 1965 to 9.2 per cent in 1972, and the terms of trade are worsening. Although the belief was expressed that there was no intention on the part of the Community that its development policies vis-a-vis certain areas should be to the detriment of any other, the effect was there. Closer EC ties with the Indian subcontinent and the Association of South East Asian Nations (ASEAN), the evolving EC Mediterranean policy, the Euro-Arab dialogue, and most of all the Lomé Convention (because the ACP countries are many of the Latin Americans' closest competitors for commodity sales and because they obtained export earning stabilization as a result of Lomé) were causing some concern.

Unlike the Community's ties with the countries to its south, its relationship with Latin America has been slow to develop. Soames explained to his Brazilian audience on September 30: "Your ties with Europe came through Portugal and Spain. . . . Ever since the Seventeenth Century . . . the relationship between Spain and Portugal and the rest of the Western European family has tended to be distant." Then too, ". . . our mutual involvement has failed to keep pace with the growth of [Latin America's] relations in every sphere with the United States."

As far back as 1958, however, EC member states were suggesting closer economic, financial, and trade ties. In the mid-Sixties a Commission delegation was opened in Santiago de Chile and an information office in Montevideo (whereas Asia only has the EC office in Tokyo and that only since last year).

In 1963, 22 Latin American nations (all the Latin American countries but Cuba, Jamaica, Trinidad-Tobago, and Barbados) formed the Latin American Coordinating Committee (CECLA) to coordinate Latin America's dealings with Europe. But it was only after the CECLA's July 29, 1970, "Declaration of Buenos Aires" that progress was made in EC-Latin American relations.

Oil rig off Venezuela, a key participant in the "North-South" dialogue.

The declaration stressed the need to strengthen ties and to improve relations generally between the Community and Latin America. With a view to preserving and enriching a relationship with deep cultural, political, economic, and social roots, the CECLA put forward suggestions for cooperation—a system of generalized preferences (which now exists), loans from the European Investment Bank, technical assistance, facilitated access to European capital markets, support on commodity and transport problems in the United Nations Conference on Trade and Development (UNCTAD).

In January 1971 the Community replied. The EC Council of Ministers affirmed that the development of traditional relations between the Community and Latin America—in the respect of their rights and of their specific responsibilities toward their own development as well as that of international cooperation—could not but be favorable to the two groups of countries, and that the Community believed in the substance of Latin American demands for establishing durable cooperation for solving economic and trade problems together.

The Community emphasized the need to "institute lasting cooperation" with Latin America and called for a meeting with CECLA members' ambassadors. The first meeting took place on June 18, 1971. The meetings have now become institutionalized, twice each year.

The CECLA ambassadors and Community officials most recently met on July 1, 1975. At that meeting, Latin American countries expressed their concern about the closure of the Community market to beef imports, and in October the Community responded by opening quotas for beef imports.

LOGICAL ALTERNATIVE

But whereas for Latin America, the European Community is the logical economic and political alternative to its northern neighbor as it starts to make its way as an independent bloc, the same is not true of Europe. Historical ties there may have been, but they were arguably stronger with Africa and Asia. And 1970—the year of the Buenos Aires Declaration—was the eve of EC enlargement and therefore the eve of the expansion of the Yaounde Convention to the countries of Commonwealth Africa and the rest of black Africa as well, the Commonwealth Caribbean and Pacific to boot. And it was also the eve of agreements with the Indian subcontinent and talks with ASEAN under the enlarged Community's commitment to Commonwealth Asia. And then came the oil crisis and the urgent need to find a modus vivendi with the Arab world, whence the Euro-Arab dialogue. Thus, in Brasilia in September Soames had to admit that "to be frank, we must start by admitting that in spite of all the historic links between our two continents, there is a sense in which we do not know each other well enough."

But the accusation sometimes leveled by Latin America that it is a "forgotten continent" is not unredeemed. Soon after

Coffee drying in the sun of Brazil, the Community's most important Latin American trading partner.

the 1971 EC resolution, Argentina became the first Latin American country to conclude a trade agreement with the European Community (long before any Asian country, for example). This agreement gave Argentina most favored nation status and eased the EC import regime for its beef. In 1973 Uruguay did likewise, followed in December of the same year by Brazil, which also negotiated special terms of entry to the Community for its soluble coffee and cocoa butter, exported in large quantities to Britain and thus safeguarded after EC enlargement.

Unfortunately for Uruguay and Argentina—and no doubt the Community's image in Latin America—a steadily rising beef mountain in the Community in 1974 forced the European Community to ban imports of beef, which in 1973 (the last year before the ban) had been more than 35 per cent of both Argentin-



Open pit mine in Chile, a major supplier of EC copper.

EC-LATIN AMERICAN TRADE (1974)

(in millions of units of account*)

| | EC Imports from | EC Exports to |
|--|--------------------|---------------|
| Central American Common Market | | |
| Costa Rica | 113 | 77 |
| El Salvador | 93 | 73 |
| Guatemala | 121 | 86 |
| Honduras | 46 | 35 |
| Nicaragua | 83 | 76 |
| Andean Group | | |
| Bolivia | 94 | 55 |
| Chile | 637 | 271 |
| Colombia | 306 | 301 |
| Ecuador | 114 | 143 |
| Peru | 322 | 333 |
| Venezuela | 730 | 763 |
| Latin American Free Trade Association | | |
| Argentina | 1252 | 790 |
| Bolivia | See "Andean Group" | |
| Brazil | 2173 | 2499 |
| Chile | See "Andean Group" | |
| Colombia | See "Andean Group" | |
| Ecuador | See "Andean Group" | |
| Mexico | 333 | 888 |
| Paraguay | 78 | 29 |
| Peru | See "Andean Group" | |
| Venezuela | See "Andean Group" | |
| TOTAL | 7099 | 7481 |

*One unit of account equals \$1.20635

tina's and Uruguay's total exports to the European Community. The need for invoking the safeguard clause as such was resented less, however, than the failure to invoke the consultation clauses included in the trade agreements for that sort of eventuality. Argentina would like to see long-term supply guarantees negotiated into its agreement when it is renewed, but so far the Community has been unable to meet this request.

As far as it can the Community tries to take Latin America's special needs into account when reviewing its system of generalized tariff preferences for the developing world. Products like fishmeal, shrimps, and honey have all been included to help Latin American countries win European markets, but they have the disadvantage so often of competing with the European Community's own production, that of its privileged Mediterranean neighbors, or the ACP's, that many Latin American requests for products such as fruit juice cannot yet be met or the margin of preference such as the one point on the 27 per cent tariff for honey are all that can be done—particularly in the current economic climate in Europe.

On the aid front, too, Latin America has so long been oriented toward the United States and it to Latin America, that the Community's role is a small one. Latin America accounted for less than one sixth of bilateral and multilateral aid from the Community and EC countries in the period 1969 to 1973 and much of that was to French or British territories in the Caribbean area—which are not really within the scope of EC-Latin American relations.

No specific programs of financial aid are slated for Latin America, although members of the two regional integration groups and the four Latin American nations (Brazil, Uruguay, Argentina, Mexico) which have agreements with the Community are eligible for technical aid, which is expected to double to \$10 million by 1980. Direct financial aid is now available only to the poorest Latin American nations, such as Haiti.

Conscious of this situation, but with no extra resources to spare, the Community is concentrating on giving the type of aid

it does best or where its contribution can be unique. Food aid is the biggest element—\$22 million worth in the period 1969-1974. Recipients were Bolivia, Chile, Haiti, Honduras, Peru, and Uruguay. Then there is emergency aid—there is a European Communities avenue in Honduras to commemorate EC help after hurricane FiFi. Between them Haiti and Honduras also received \$5 million given by the European Community in 1975 to countries most severely affected by the oil crisis.

Practical aid will consist of EC assistance to Latin American export promotional efforts to enable these countries to make the best use of the Community's system of generalized tariff preferences on manufactured and semimanufactured goods. Through continuing exchanges of customs and legal experts, the Community encourages the integration of the Central American Common Market and the Andean Group.

A TURNING POINT

The Community's 1975 budget includes \$301,500 to help developing countries in their regional integration efforts. Half of this

Cattle grazing in Argentina, a top beef exporter.



Guatemalan fields of bananas, a prime agricultural export.



amount is earmarked for the Central American Common Market (CACM) and the Andean Group. The money is used for exchanges of Community and CACM and Andean officials, for internships for economists and engineers in Community companies, and for seminars. (The Central American Common Market is composed of Costa Rica, Guatemala, Honduras, Nicaragua, and El Salvador; and the Andean Group—Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela.)

The Community's 1975 budget also includes \$723,600 to help developing countries that are not formally associated with the Community finance export promotion measures such as trade fairs and marketing seminars.

For the future, two more sources of aid could open up to certain Latin American countries: The neediest among them (probably Haiti and Honduras to start with) will benefit from the resources the Community plans to make available to non-associate countries as of 1976, and the most sophisticated should be among the first customers of the proposed European Import-Export Bank.

But in retrospect 1975 could appear as a turning point, for in this year two major new steps have been taken. Firstly, on November 1 a commercial cooperation agreement came into effect between Mexico and the European Community. The first of its kind with a Latin American country, it is designed to provide a dynamic framework for developing the sort of industrial cooperation Latin America has consistently sought from the European Community. It has been described as a "novel" agreement: "opening up a vast field of action—that of commercial and economic cooperation for the development and diversification of trade between the two parties, which takes into account the special situation of Mexico as a developing country."

Secondly, there has been the Soames visit, which in one fell swoop took in all Latin America but three countries of the southern cone and the Antilles area. After this "fascinating and thought-provoking experience," the feeling he came away with was that "with the spread of industrialization, with the growth of trade in raw materials and manufactured goods, and with the demand for increasingly accelerated transfers of technology, our stake in each other's affairs is growing. None of us can afford to retreat into purely national or even regional concerns. The damage which we all caused each other in the Twenties and Thirties by such policies would be nothing compared to the havoc which any retreat into protectionism and beggar-my-neighbor policies would cause in today's much more complex and sophisticated world economy. The capacity of this interdependent world economy to sustain the shocks of unilateral actions must not be overestimated. That would be most dangerous. It is therefore essential that in this inescapably interdependent world we should work together to achieve a new consensus, a new agreed framework for international economic activity."

Women in Europe

International Women's Year Ends Not With a Bang but With a . . . ?



Ahead of the times? In 1968 Belgian factory workers strike for "equal pay for equal work."

KATHLEEN A. LYNCH, staff writer for European Community Information Service

A woman is the director of the University of Reims. A woman presides over the French Administrative Court. A woman heads the Royal Observatory in Greenwich. A woman is the president of the Federal Statistical Office in Germany. Even the second highest position in Germany—the president of the Bundestag—is occupied by a woman—Annemarie Renger. At the beginning of this year—the United Nations "International Year of the Woman"—British Conservatives elected a woman to head their party, and thus prime minister of the shadow cabinet—Margaret Thatcher.

The examples enumerated above seem to demonstrate clearly and unequivocally that the field is wide open for European women today. Statistics, however, stand in contradiction to these spectacular exceptions. Mrs. Thatcher and Frau Renger tend only to hide the gray daily routine for the average European woman. They are like the justification of a still widely-held opinion about career women, expressed by a Bavarian politician: "As individuals, women are like flowers (in the Parliament), but in quantity they are like weeds."

In the highest echelons of business and politics, women are still a rare flower. On the lower echelons in the world of work, they proliferate like weeds.

Women living in the European Community number 129 mil-

lion, about 52 per cent of the population. Thirty-six million of these women—a third of the labor force—work outside the home. Women's share of the Community labor force varies from a high of 40.9 per cent in Denmark to a low of 25 per cent in Luxembourg. (For comparison, women make up nearly 40 per cent of the US labor force.) Most working women are married: The percentages range from a high of 64.2 per cent in Belgium to a low of 53.3 per cent in Italy (58 per cent in the United States).

The first systematic survey of the Community's working women was done only two years ago, by six women, all sociologists. They asked women in the Community's six founding member countries questions no one had previously thought of putting to them about woman's place in society and in the labor force.

European women work because they have to, 75 per cent of the women surveyed replied. Women usually work as long and as hard as men but are usually paid less and discriminated against in many subtle ways, the survey also disclosed. Discrimination has often been based on the assumption that women are not the main breadwinners and tend to change jobs and be absent more often than men.

Most European women working outside the home have no

domestic help. This means that they have two jobs and an average working day of at least 12 hours.

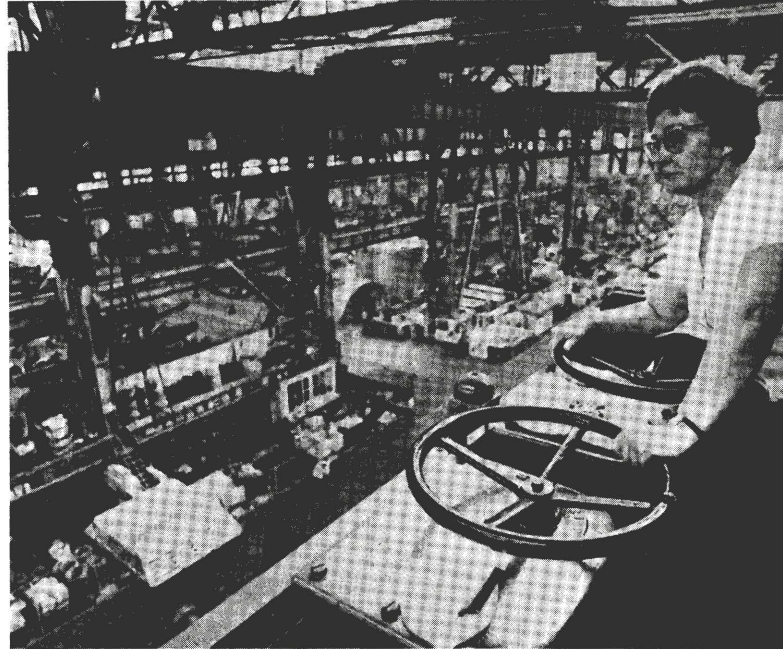
The lack of help at home is one reason why absence from work, though declining, still runs higher among women than among men. The six sociologists' survey showed more absenteeism among women doing dull, tiring, and badly paid jobs requiring concentration, dexterity, and speed nonetheless. Women in positions of responsibility, on the other hand, have as good attendance records as men.

The popular image of the modern woman who chooses to work to develop her personality is deceptive. Most women, single or married, have no choice. The highest percentage of women who work because their husbands do not earn enough is in Italy (40 per cent) and the lowest in Luxembourg (5 per cent). In countries like Italy, many women have "undeclared" jobs, jobs without legal protection, social security, or health insurance.

Most women who work in Europe do "feminine" jobs—nurse, teacher, waitress, saleswoman—in a few branches of the service sector. Services employ a high of 74.8 per cent of working women in the Netherlands and a low of 44.3 per cent in Italy. This concentration makes women vulnerable to shifts in employment.

No matter where they work, women almost always hold subordinate positions. In no Community country does the percent-

European "mailpersons."



One of the Krupp Company's most skilled crane-drivers is Lydia Ahlhoff.

age of women employed at managerial and executive level reach 1 per cent.

Women are usually the first victims of employment crises. In 1973, for example, between 43 per cent and 52 per cent of the unemployed in Germany, France, Belgium, and Denmark were women, although women made up between 35 per cent and 41 per cent of the labor force.

But European women are learning to organize to protect their rights. As early as 1966, 3,200 women struck the Belgian National Arms Factory in Herstal to obtain the same pay for doing the same work as men.

If women want opportunities comparable to those men now have, they need comparable professional training and education.

Things have changed since Elena Lucrezia Cornaro Piscopia, a Venetian and the world's first woman to earn a university degree (in 1646), was refused admittance to theology, a "male" discipline. Today, France, for example, leads the United States in the percentage of its university-aged women who still study.

Under its common social policy, the Community and its member states retrain workers in backward industries, mainly women, for new jobs. Priority is also being given to financing projects to help women over 35 years of age re-enter the labor force or take up a trade or a profession for the first time.

WORKING WOMEN AND THE LAW

Pay discrimination based on sex was banned by the 1957 Common Market Treaty. Article 119 requires member states to "en-

sure” and to “maintain” the observance of the principle of equal pay for equal work, leaving them free to choose the means of enforcement—legislation, administrative law, or executive decree.

The six founding member countries on December 30, 1961, pledged their political support for a 1964 deadline for ending all pay discrimination based on sex. Since after World War II, the Italian, German, and French constitutions had recognized the equal pay principle. France filled in details of this recognition with a law passed December 22, 1972. Luxembourg and Belgium had given the right to equal pay the force of law in 1965 and 1967, respectively. Both Britain and Ireland passed Equal Pay Acts in May 1970, to take effect by the end of 1975. Britain’s law, enumerating every possible equal pay offense and sanction, will give the United Kingdom one of the least “sexist” employment systems in the Community. Denmark and, until recently, the Netherlands relied on collective agreements to protect women’s rights at work. The Dutch Law of March 20, 1975, retroactively to January 1, guarantees women equal pay.

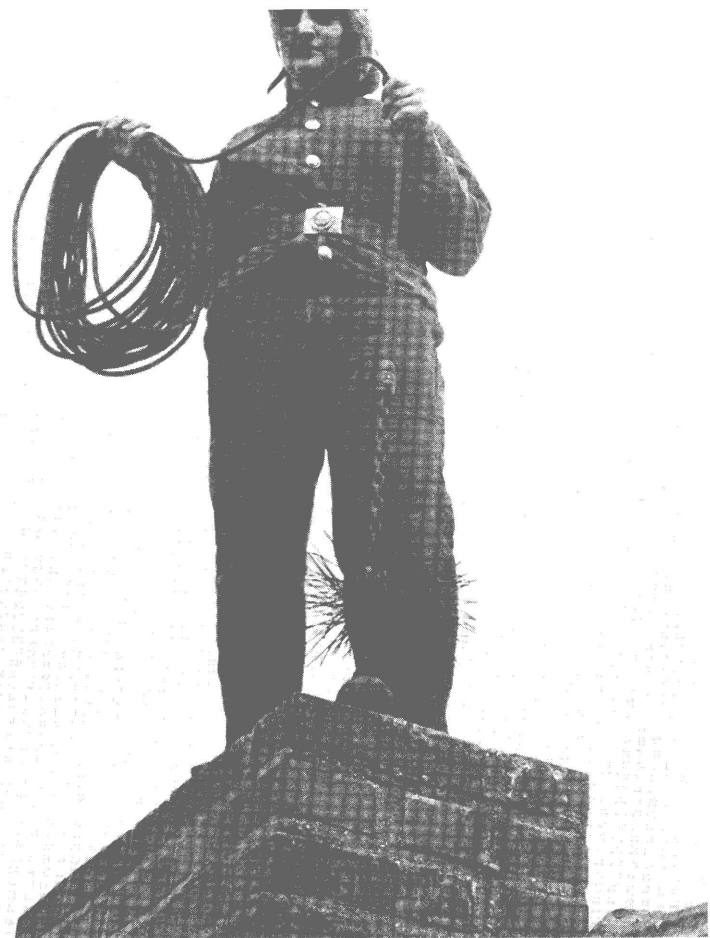
The EC Commission makes sure that member states follow Article 119 and suggests remedies when they do not. Either the Commission or a woman suffering from sex discrimination at work may go to court to obtain observance of the equal pay principle. Nevertheless, the many infringements of the equal pay principle to date have gone unpunished for lack of stringent means of enforcement and for lack of complaints by women afraid of losing their jobs.

As late as February 1975, the Commission still had to admit that reality did not match the law in any member state. To eliminate this discrepancy, the Community’s social action program for 1974-76 sets the following priorities affecting working women: equal pay; equal access to jobs and promotions; equal working conditions; protection of workers hired through temporary employment agencies, and activities to reconcile family responsibilities with professional aspirations (by helping to finance day care centers, for example).

A new Community directive passed under this program specifies women’s rights within the equal pay principle and obliges member states to assure:

- legal recourse in discrimination cases;
- protection from firing and other sanctions for seeking legal recourse;
- annulment of any provision against the equal pay principle in collective agreements, individual contracts, and wage scales;
- punishment for any infringement of the equal pay principle.

This directive gives member states one year to make any changes needed for compliance and to report such changes to the Commission. By February 1978, the Commission will report on the application of the equal pay principle and could take



A woman apprentices as chimney sweep.

Forestry is no longer a professional preserve for males.



any delinquent country to the Court of Justice, the Community's "Supreme Court."

A draft directive slated for passage by the Council in 1975 stresses that "equal pay is only a part of the objective to be achieved, which is equality of treatment between men and women." "Equal treatment" is to include job access, vocational training, promotion, working conditions, social security, and job security.

EUROPEAN WOMEN AT HOME

Everyone knows that women who "don't work" work. European feminist movements have long and inconclusively debated housewives' rights to salaries for their work at home. While the EC Commission has not been involved in this debate, it strongly endorses financial help and social aids to guarantee a woman's freedom of choice to remain at home.

The Community's very existence has also affected the lives of women who exercise their right to choose whether or not to work outside the home. As a result of the Community-guaranteed right of a worker to take a job in any Community country, some women have moved to foreign countries with their husbands and families. Women who have stayed in their native countries find improvements both in living standards and in the quality of life.

About 9 million migrant Community workers have been joined abroad by 6 million members of their families.

Women who leave their home countries with their husbands and look for jobs in the host country theoretically have the same rights as women in that country, but not in practice. Migrants' wives, often lacking the skills in demand, run into the same dilemma they thought they had left behind at home. They and their children suffer from discrimination based on habit but forbidden by law. Despite their legal rights, many migrants' children do not attend school regularly and rarely receive good vocational training.

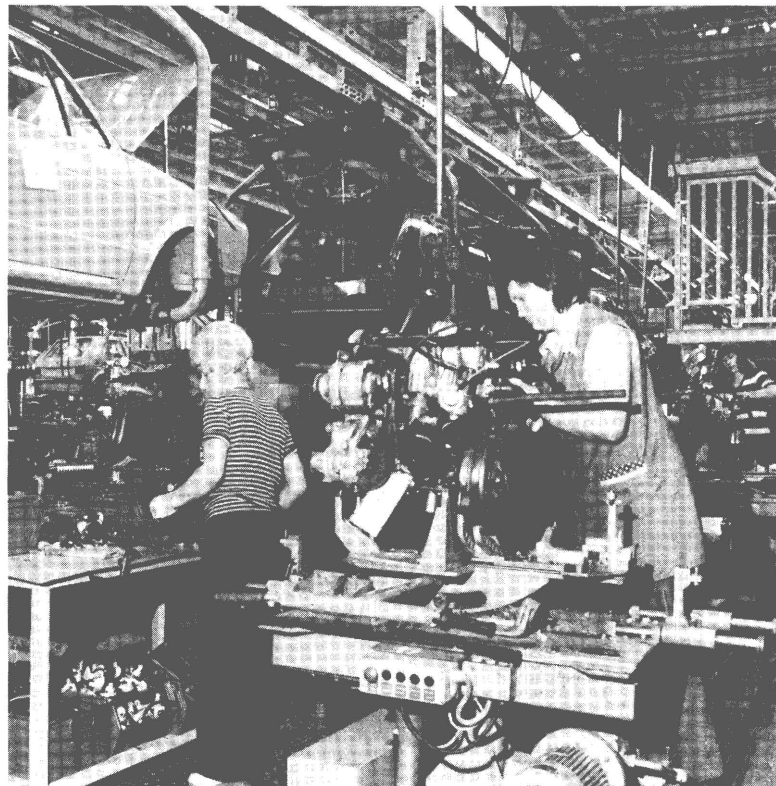
Women who migrate to jobs abroad, leaving husbands and families behind, are a minority. Most migrant workers are employed in construction, mining, and heavy industry where "feminist" jobs are scarce. When the six founding Community members opened their borders to workers of every Community nationality in 1968, Germany granted the largest number of work permits to women—110,185—as compared with 390,879 work permits to men. The pattern of migration by women has changed little since then.

Despite inflation and crises, the Common Market has made life more comfortable for European housewives. Economic prosperity has raised wages, enabling women to buy labor-saving machines that expand their leisure time. As tariffs have fallen, consumers have been able to compare and select the best buy from among products from many countries. Heightened competition has held down price increases on consumer



Siegrid Neuhaus, the only woman pilot working scheduled flights in Germany.

Women workers install "Rabbit" engine accessories in Volkswagen plant.





A Belgian policewoman.

goods, and the common agricultural policy has insulated European households from recent rises on world markets. More than once the Community has stopped practices that could have harmed consumers—breaking up a sugar cartel and ending price fixing of phonograph records, for example. Since 1973, the Community's consumer protection and information program has helped the buyer "beware."

Concern for the quality of life has grown as living standards have risen. Though relatively new, the Community's environment policy has already resulted in common purity standards for drinking water and common standards for biodegradable detergents.

Everyone benefits from improvements in the quality of life—healthy working conditions, adequate healthcare and other social services, good childcare centers, education, and housing. Although beneficial to all, these advances do most to ease the lives of housewives. In Europe, as in the United States, women still shoulder the main responsibility for tending the home and caring for the sick, the young, and the aged.

European women have begun to insist on having a hand in decisions that touch their lives. They have won a place in public life and are there to stay. Yet, women in top jobs remain the

exception at Commission headquarters and in the national governments alike.

The number of women in top jobs at Community headquarters is "not satisfactory," the Commission admits. But since "Eurocrats" are recruited by competitive examination, the Commission adds, only if there are more women candidates can more women be hired for executive jobs.

Women at Commission headquarters number 2,500, 44 per cent of all personnel. There are no women at the top; all 13 commissioners are men. One woman holds the rank of "director," as compared with 112 men. Women account for 6.2 per cent of the top decision-making jobs.

Women are also the minority in the European Parliament, defender of women's rights. Women hold eight of the Parliament's 198 seats (two Italians, two English, two German, and one each from France and Luxembourg).

Few women hold seats in the legislatures of the Nine. In 1975, women fared best in Denmark, with 16.8 per cent of the seats in the lower house. Female representation in the other lower houses were: 6.1 per cent in Belgium, 1.8 per cent in France, 5.8 per cent in Germany, 3.8 per cent in Italy, 12.7 per cent in the Netherlands, 3.5 per cent in Ireland, and 4.3 per cent in the United Kingdom. In Luxembourg's unicameral legislature, women hold 1.7 per cent of the seats. (For comparison, women hold 4.4 per cent of the seats in the US House of Representatives.)

While the US Senate has no women members, Europe has some women "senators." In France, the EC country with the highest percentage of women in the upper house, women hold 6.8 per cent of the seats in the Senate.

As in the United States, women of cabinet rank are few. In 1975, Italy, Ireland, and Luxembourg did not have a single woman cabinet member. Women held one cabinet post each in Belgium, Germany, and the Netherlands; two in Denmark, and three in France.

French Minister of Health Simone Veil's evaluation of her career applies to most European women in similar positions: "I am not a symbol of the equality of opportunities for men and women. I am an exception due to chance. I happened to be in the right place at the right time." Women's place in government tends to be limited to certain feminine fields, like health, culture, or family.

European women's fight for equal rights is not a war against men. They want a "fair sharing and exercising" of power by men and women, in the words of Françoise Giroud, French secretary of state for women's affairs. She counts on the European Community to help attain this goal. Like many other women, she sees that "equality before the law is not enough." The European Community does its part by reminding its member countries that law must be made a reality.

Venice Rising

Man Saves What He Created and Almost Destroyed

MARINA GAZZO and **CATHERINE BROWNE**, *freelance writers based in Europe.*

Man and nature were the culprits as Venice sank hopelessly—or so it seemed—into the 177 canals on which the city is built. While nature's work took ages, man's work was much quicker and more brutal. But now man is using his ingenuity to save what he had almost destroyed. The sinking has been arrested and Venice should start rising again, like an oceanic phoenix from the canals.

But a further problem plagues Venice: Pollution from the nearby industrial city of Porto Marghera on the mainland has damaged many of Venice's prized monuments and palazzi. What can be done to save Venice from the fate of a ghost town, a beautiful museum with no real people in it, without turning it into a "new Rotterdam," blessed with a thriving economy but a sacrificed past?

The saving of Venice is the problem of the Italian Government of course, but Venice is also a concern for Europe. And it happens that in the second half of 1975 Italy is in the chair of the EC Council of Ministers. And is it not a coincidence that the first time the Council met in Italy, in September, it met on the Island of Torcello, the first island in Venice to be colonized?

But the European Community as such has no program for the salvation of Venice. "The Community is not a cultural community," explains one Commission official. "There are some areas where it just does not have competence, the preservation of historic landmarks being one of them." So the efforts to save Venice have taken on a worldwide, rather than a Community-wide dimension.

Industrialization of the Porto Marghera area brought eco-

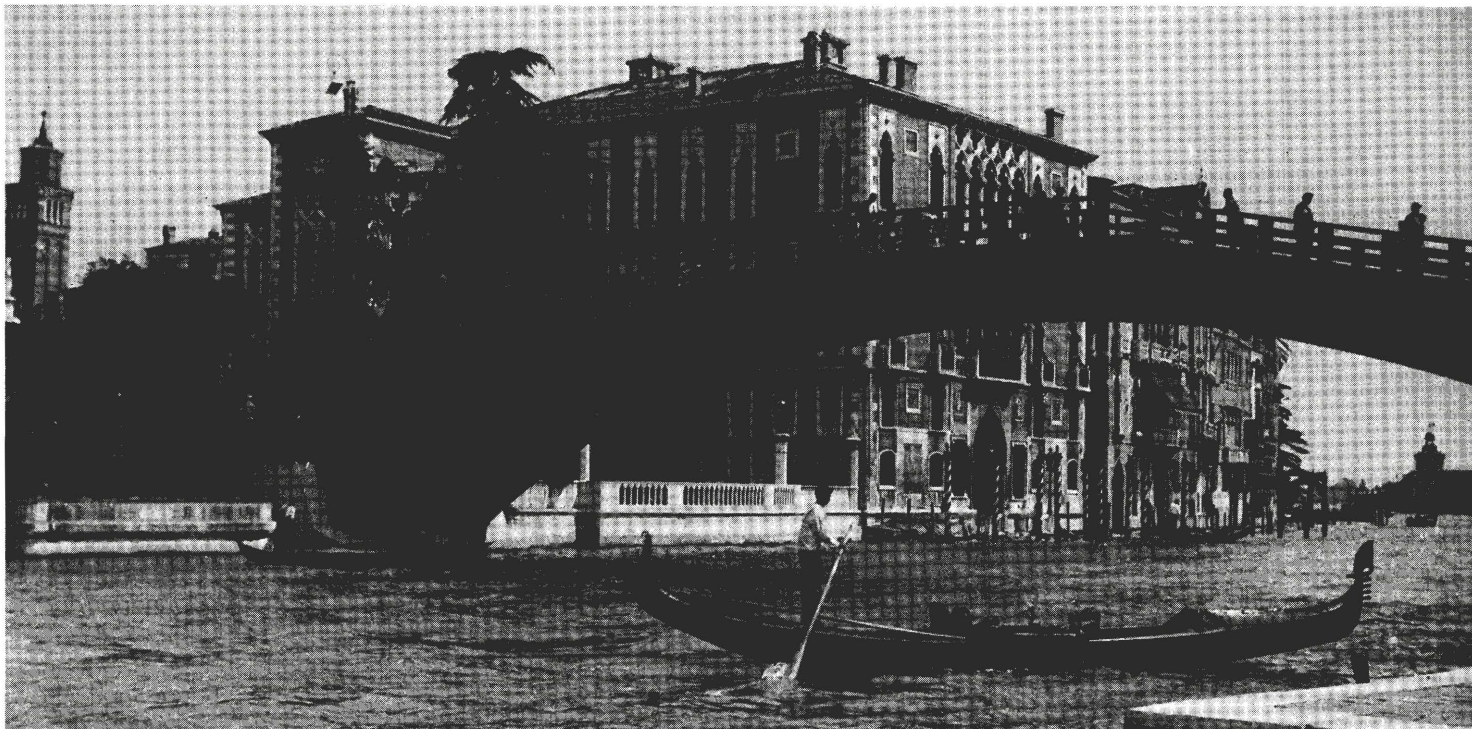
nomie benefits to Venice, but it also raped the city as growing air and water pollution began to take their toll on the priceless works of art and architecture. The danger of the imminent disappearance of Venice's cultural heritage was first brought to public attention in November 1966 when tides rose over six feet to flood Venice's canals and squares. Since then, various national and international organizations have sought ways and means to halt the destruction of the "queen of the Adriatic," though no one program has proved wholly satisfactory.

The US "Save Venice" group and the British "Venice in Peril" committee were formed to raise money for the restoration of priceless works of art and monuments. In 1967 the United Nations Educational, Scientific, and Cultural Organization (UNESCO) took on the task of helping to save Venice by setting up a joint international advisory committee with the Italian Government. Such distant lands as Pakistan, no stranger to aid programs itself, joined in the effort, giving UNESCO a gift of 10,000 postage stamps for "Venice in Peril." Even a group of famous cartoonists felt moved to draw attention to the fact that "Venice must be saved" and organized an exhibit in 1973, with the Council of Europe in Strasbourg, France, and this year a ballet festival drew people and funds to Venice.

ANOTHER ATLANTIS?

Nineteen Seventy-Five seems to be the year when things began to go well for Venice. The support for the city and the recognition of the need for saving it are encouraging. But what happened in the past and what about the future?

The Accademia Bridge over one of the 177 canals on which Venice is built.





The Bridge of Sighs: "Take her up tenderly/Lift her with care."

Though Venice, the city of bridge-linked islands, was built in the Fifth Century, the land on which it was built has been sinking "naturally" for a billion years. Movements of the earth's crust have caused the very slow and gradual descent of the Po Valley. And nature's forces aren't easily countered. Each year, Venice has been sinking about one millimeter (about .04 inches) into the lagoon which holds this Adriatic jewel. To add to Venice's peril, the slow melting of the polar cap causes the level of the sea to rise another millimeter. If nothing is done to reverse nature's work, Venice is doomed to be another Atlantis, lost forever beneath the murky sea.

Man's part in the sink-Venice movement has been for reasons mainly economic. For the last 400 years, the population of Venice has been drifting toward the mainland to escape the isolation and inconvenience of living on a series of islets. Between 1951 and 1971, according to UNESCO figures, Venice lost 63,000 inhabitants. To curtail this migration, new, artificial land areas, on the Dutch model, were added to the old Venice. Venice's original builders had not been far-sighted enough and set the ground level at only a few inches above what they expected to be the maximum tides. The combination of reclaimed land and Porto Marghera industrialization have "squeezed" the lagoon until its waters have no place to go but . . . up.

As Porto Marghera grows as an industrial port, and more and deeper channels are added for larger ships, currents become faster and dikes make the ravaging tides even more violent. The

"acqua alta" has always been a problem for Venice, but with increased industrialization, flooding has become more frequent, sometimes occurring 50 times a year. (Exceptionally high tides are normal in the north Adriatic.) Added to the violent "scirocco" that blows up to 60 miles an hour, Venice is rendered all the more vulnerable.

Yet Venice is not crumbling. Despite the visible decay caused by repeated floods and despite pollution that peels the stucco off the palazzi and eats away at their bottom-most steps, the structures are solid. The Rialto Bridge still stands safely on its ancient foundations supported by 6,000 piles.

And something has been done to stop the damage done by water. Indeed, one simple measure has proved to work miracles. The ban on pumping from the thousands of artesian wells in and around the city—an easy source of water, but also a folly that caused a further descent of 5 millimeters a year—has been so effective that Venice should rise an inch in the next 20 years.

Among the more interesting projects for protecting Venice from its waters is a plan by Pirelli, the Italian rubber corporation. Pirelli has experimented with inflatable balloons that would stretch across the ocean floor to seal off the lagoon completely in case of emergency.

While aquatic threats are being dealt with, pollution remains a menace. It is perhaps here that the European Community could step in. Though Venice does not qualify for regional development fund aid, or for certain financial instruments available to developing regions, the Community does have an environment policy in the works with proposals that could very well be applied to Venice. The EC environment program includes measures to determine criteria for evaluating the harmfulness of air, water, and noise pollution. The program then calls for the setting of quality goals for air and water. In particular, the policy-initiating EC Commission has put forth measures calling for the reduction of sulphur content in gas oils, such as those emanating from the Porto Marghera region.

The Commission and the nine member states plan to better coordinate information on the environment. Besides informing each other in advance of the national laws, regulations, and administrative provisions under preparation in various member states, the Commission can also request that certain national programs be extended to the Community as a whole. In addition, the Commission plans to invite senior officials from government, industry, science, and ecology groups to meet on an informal, regular basis to exchange ideas and information.

In the meantime, the "Law of Venice," passed April 15, 1973, by the Italian Government, but put into effect only this year, provides more than \$510 million for a new sewage system, new industrial aqueducts for Porto Marghera, more research on the effects of tides, and more efforts to restore the historic center of town. But the work that remains to be done is enormous.

United Nations, Congress, and White House are Points of Call

The European Community invades: A delegation of European Parliament members journeyed to Washington for its eighth exchange with the US Congress, October 29-31. Commission Vice President Christopher Soames, responsible for EC external relations, and Commissioner Claude Cheysson, responsible for development policy, planned a mid-November trip to the United Nations in New York and then to Washington for the biannual US-EC high-level talks.

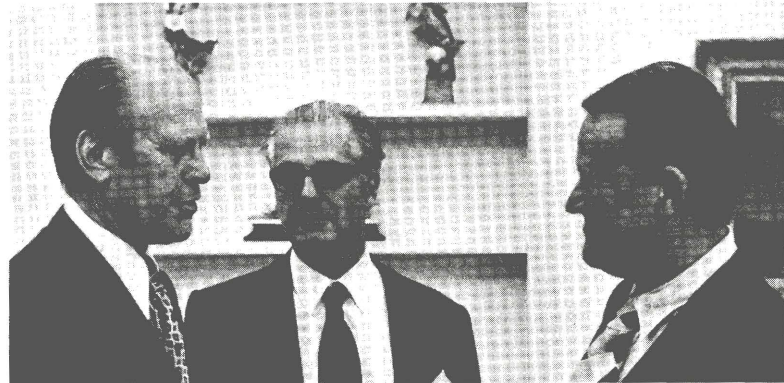
The European Parliament members and Congressmen held joint plenary sessions during the three days. The first was a review of political developments since their last meeting in April—topics such as post-Vietnam US foreign policy, the final document of the Conference on Security and Cooperation in Europe, and developments in Spain and Portugal. Another session, including a presentation of papers, discussed institutional developments in the United States and in the European Community, for example: the EC decision to have the European Parliament elected by popular vote by 1978. Recent Congressional initiatives in foreign policy were discussed in a paper by Rep. Benjamin Rosenthal (D-NY) entitled "Is the Congress in Revolt?" Also on the agenda were international agreements on raw materials and commodities. Parallel working groups discussed a draft report on a code of international conduct for multinational corporations and reviewed monetary problems.

The European Parliament delegation also met with officials in the executive branch, including Secretary of Agriculture Earl L. Butz, Secretary of the Treasury William E. Simon, Under Secretary of State Ralph Ingersoll, Assistant Secretary of State for European Affairs Arthur Hartman, Under Secretary of Commerce James A. Baker III, the President's Counsellor for Economic Affairs L. William Seidman, and Executive Director of the Council on International Economic Policy J. M. Dunn. Secretary of State Henry A. Kissinger wired from Peking that he, too, would meet with the Europeans.

Social events included a "Chesapeake Bay Evening" at the Maryland home of Rep. Gilbert Gude (R-Md.) and a formal dinner hosted by the Congressmen at the Smithsonian National Museum of History and Technology.

Soames and Cheysson, meanwhile, were to travel to New York on November 17, for the first Commission-level visit to the United Nations since the European Community was admitted to the United Nations as an observer in October 1974. The visit was intended to strengthen EC-UN ties on a broad front as well as to discuss more particular subjects such as development aid, following the seventh special session of the UN General Assembly in September. Besides the general topic of a "new world economic order," specific subjects of discussion were the "North-South" conference in Paris and the Lomé Convention. Soames and Cheysson were scheduled to meet with UN Secretary General Kurt Waldheim.

In Washington November 18-19, Soames was to meet with US



Pierre Bernard Cousté (center), who leads the European Parliament delegation, meets with President Gerald R. Ford (left) and Jens Otto Krag, head of the Commission's Washington office, during last year's parliamentary exchange.

officials for the eleventh round of regular, biannual meetings. The last meeting was held in Brussels earlier this year. The meetings were instituted in 1970. Recent EC-US trade difficulties were expected to be high on the agenda during the latest consultations.

The parliamentary exchanges were inaugurated in January 1972 when Rep. Rosenthal, chairman of the House Foreign Affairs Subcommittee on Europe, and Rep. Donald Fraser (D-Minn.), chairman of the House Foreign Affairs Subcommittee on International Movements and Organizations, led a Congressional group to the European Parliament's Secretariat in Luxembourg in January 1972.

During the latest exchange, the European Parliament delegation, which for the first time included members of Britain's Labor Party, was headed by Frenchman Pierre Bernard Couste, a member of the Progressive Democrats Group in the European Parliament. The other members were: Walter Behrendt (Germany), EP vice president, Socialist Group; Betty Boothroyd (Britain), Socialist Group; Libero della Briotta (Italy), Socialist Group; Fernand L. Delmotte (Belgium), Socialist Group; Baroness Fisher of Rednal (Britain), Socialist Group; Luigi Galli (Italy), Christian-Democratic Group; James Martin Gibbons (Ireland), Progressive Democrats Group; Roger Houdet (France), Liberal and Allies Group; Liam Kavanagh (Ireland), Socialist Group; Peter Kirk (Britain), president of European Conservative Group; Egon Alfred Klepsch (Germany), vice president of Christian-Democratic Group; Silvio Leonardi (Italy), Communist and Allies Group; Augusto Premoli (Italy), vice president of Liberal and Allies Group; Willem Scholten (Netherlands), vice president of Christian-Democratic Group; Horst Seefeld (Germany), Socialist Group; Mario Vetrone (Italy), Christian-Democratic Group.

Due to illness Sir Christopher Soames was unable to make the US trip; in his stead was Commissioner Finn Olav Gundelach.

Irish Visit

Foreign Minister Garret FitzGerald Visits United States and Canada

The enthusiastic expectations of the Irish people for the European Community have stood up well to the actual two and a half years' experience of membership. This was among the messages Irish Foreign Minister Garret FitzGerald conveyed during a September 24-October 10 visit to the United States and Canada.

FitzGerald, who for the first half of this year chaired the EC Council of Ministers, addressed the United Nations General Assembly on September 26. He later visited Washington and Chicago and discussed with senior Government officials, politicians, the media, and several public audiences a variety of topics of mutual interest, principally the Northern Ireland problem but also Ireland's foreign policy and, in particular, its membership in the Community.

FitzGerald had an hour-long meeting with US Secretary of State Henry A. Kissinger on October 7. In addition to the Northern Ireland problem, they discussed EC policy on Spain, Portugal, and Cyprus; the North-South, consumer-producer conference; the Community's concern with growing indications of protectionism in US trade policy. FitzGerald also had informal meetings with the Senate Foreign Relations Committee and about 30 members of the House of Representatives, during which these topics were discussed.

In keeping with the policy suggested by the Irish Presidency earlier this year that ministers from EC member states when visiting the United States should, if possible, speak on European topics to American audiences, FitzGerald spoke to the Chicago Council on Foreign Relations on "Ireland and the European Community." Despite a difficult period, particularly in 1974, Irish farmers had benefitted considerably from EC membership, and the Irish Exchequer had been a net beneficiary from the Community, FitzGerald noted. Membership had created an opportunity to overcome excessive economic dependence on one external market (Britain) through access to the wider Community market.

Similarly, in the political sphere, membership had generated an atmosphere of greater national self-confidence, according to FitzGerald. The Irish Government could more actively participate in Community decision-making on issues which seriously affected the country's welfare, e.g. agricultural market pricing, and over which the Government had previously had much more limited influence, FitzGerald said.

The Community is, however, still at an early stage of development, and the Irish Government would like to see a radical strengthening of some EC institutional structures and policies, particularly in the regional and social fields. Ireland favors the development of the European Parliament through direct election of its members and through expansion of its existing powers.

The Irish Presidency in the first six months of this year had been an exciting experience, said FitzGerald, who took par-



FitzGerald meets with Chicago Mayor Richard J. Daley.

ticular pride in two developments during that period—the British "re-negotiation" and the signing of the Lomé Convention. Ireland, itself the only ex-colony among the EC member states, had a particularly sympathetic rapport with the leadership and peoples of other former colonies, and this, he felt, had been helpful to the Community in finalizing the Convention.

Community News

US-EC Relations

Dent Visits Brussels to Discuss Trade

Commission Vice President Christopher Soames, accompanied by Commissioners Petrus J. Lardinois and Finn Olav Gundelach, met US Special Trade Representative Frederick B. Dent on October 17 in Brussels, to discuss certain procedural aspects of agriculture issues in the multilateral trade negotiations (MTN).

The two sides made good progress and agreed to report back to the director-general of the General Agreement on Tariffs and Trade (GATT) that negotiations should now be able to resume normally. On the other aspects of the MTN, the two sides reviewed progress to date as they have been in the habit of doing every two or three months.

Regarding bilateral problems, Soames took the opportunity, in the course of a working lunch, to draw attention to the concern felt by the Commission and the Community as a whole about recent protectionist initiatives by various groups or private firms in the United States. He emphasized that it was in no way suggested that the US Administration was in any way responsible for these moves and that the Commission was not calling into question US commitment to free trade principles.

Exchanging Views on Money and Banking

The current status of the EC Commission plan for a European export bank and future plans for the harmonization of export credit policies were the main topics discussed by Commission officials and an American delegation of monetary experts, headed by Vice President of the US Export-Import

Earlier in the week, in a luncheon address to a group of businessmen in Amsterdam, Dent emphasized the importance that international farm trade holds for the United States, particularly in its relations with the European Community, with whom the United States has built up a \$2 billion surplus in agricultural trade for the first half of 1975.

"We accept and appreciate the internal domestic and social objectives of the EC common agricultural policy," said Dent. "Our aim in the multilaterals is to negotiate the reduction or elimination of the trade-restricting effect of agricultural policies, wherever they occur, and to bring them under more effective international disciplines—in accordance with the objective of the Tokyo Declaration."

Following his talks with EC officials in Brussels, Dent told reporters that the over-riding tasks of the MTN are to bolster trade, improve the poor employment picture, and control inflation. He noted that "the filing of trade complaints by industries and unions in the United States has caused some concern" but added that he felt fears about the United States "swaying toward protectionism were overestimated."

Bank Steven Goodman, during meetings held in Brussels September 30 through October 3.

The proposed European export bank, under consideration for nearly two years, would eventually be used to finance large investment projects abroad by businesses in the European Commu-

nity. Commission efforts to work out the institutional procedures for the bank have met with difficulties, however, and no final decision by the EC Council of Ministers is expected before next year.

The US delegation was also interested in what steps the nine member states plan to take in harmonizing their export credit policies and any new Community views on the negotiations toward the so-called "gentlemen's

agreement"—a planned informal accord still being discussed by the United States, Japan, and the European Community to reconcile their export credit policies toward East European nations and the developing world.

Both sides also exchanged views about prevailing interest rate conditions in Europe and how they are affecting the monetary and trade situation between Europe and the United States.

Treasury Rules EC Steel Exports Legal

The EC Commission expressed "delight" following the US Treasury decision on October 20 not to initiate an investigation into alleged "unfair practices" involving steel exports to the United States from seven European countries.

The Treasury decision is "fair-minded and in harmony with international practice in GATT," a Commission spokesman said.

The decision stemmed from a US Steel Corporation complaint that the European practice of rebating the value-added tax (VAT) on steel exports amounts to a "bounty or grant" and that the exports should thus be assessed countervailing duties. The Treasury, however, ruled that VAT is an indirect tax and that, as such, its remission is legal.

Campaigning Wallace Comes to Brussels

Stopping in Brussels on the second leg of a five-city, 13-day European tour arranged by the US State Department, Alabama Governor and 1976 Presidential candidate George C. Wallace met on October 16 with NATO Secretary General Joseph Luns and later paid a brief visit to the EC Commission where he spoke with Commissioner Albert Borschette, responsible for competition policy.

According to US officials, Wallace had "expressed curiosity" about the European Community and its institutions and wished to pay a courtesy call to the Commission before concluding his journey with stops in Rome, Bonn, and Berlin.

Originally, it was hoped that he could meet with Commission President François-Xavier Ortoli and Vice Presidents Christopher

Soames and Henri Simonet, but the European Parliament's plenary session had detained nearly all members of the Commission in Strasbourg.

Later, in speaking with reporters outside, Wallace ruminated about his imminent political plans and apparently denied rumors that he would run with former California Governor Ronald Reagan on a third party ticket in the 1976 US Presidential election.

"I intend to run in the Democratic primaries and he says he is going to stay in the Republican party, so that means that would be out," said Wallace. But when asked if he would consider a proposition to run on a third party conservative ticket, Wallace conceded that he does not "rule anything out in the flexible situation in the United States, politically."

EC Participates In US Energy Seminar

The Commission and two EC member countries had delegates to a US State Department-sponsored "traveling conference" on energy economics October 6-31 in the United States.

Foreign officials from 21 nations traded views with their US counterparts. The participants included officials of national government agencies concerned with energy, resources, and international economic relations—among them, Peter Freeman of the UK Department of Energy. Non-governmental entities were also represented—among them, Dieter-Wilhelm Noth

of the German Trade Union Federation. The EC Commission was represented by Giorgio Longo, of the Commission's Directorate General on Energy.

The participants first spent a week in Washington conferring with officials at various governmental agencies, as well as at private organizations. The group then journeyed around the United States visiting major companies in the petroleum, electric power, and coal industries and attending seminars with American businessmen and university economists.

Commission Sponsors Auto Symposium

Americans will be participating in a European symposium on automobiles that the EC Commission has organized for December 9-11 in Brussels.

The symposium, which will group experts from the various industries, has numerous goals, including: coordination in efforts to improve automobile safety and to protect the environment; foundations for new sets of automotive standards taking into account all the economic, social, and finan-

cial requirements of both user and producer; avoidance of unilateral, national measures, which not only risk incompatibility but which jeopardize common policies within the Community.

Specific aspects that will be examined include noise and atmospheric pollution, rational use of energy and primary resources, prevention of accidents through better built cars, and driver-pedestrian relations.

The common policy for civilian aircraft and aviation would, in the Commission's view, counter the European industry's loss of markets and would result in sensible air traffic patterns based on travelers' needs. Joint financing and comparison of national development, manufacture, and marketing plans would reduce wasteful duplication of effort. The common policy would consist of:

- a common program for every activity connected with the manufacture of large civil aircraft, including work done jointly with manufacturers outside the Community;
- common financing, replacing national financing of research, development, and production

tooling;

- a common program for certain types of Community-financed basic research;
- Community financial support for marketing, possibly through an institution resembling the US Eximbank;
- harmonization of member states' laws and administrative practices affecting certification of airworthiness, environmental pollution, norms, and standards.

The European airspace would be managed by the Community with an eye to fair competition, sensible routings, and the best possible consumer prices. The Community would also conclude traffic rights agreements with non-member countries.

Unemployment in the Community Worsens

Unemployment is still on the increase throughout the European Community. The best that can be said is that in some countries—such as Denmark, Germany, and Italy—the rate of increase is slowing.

The highest EC unemployment rate is in Ireland—8.9 per cent in the South, 10.5 per cent in the North. Then comes Belgium, with

6.6 per cent unemployment; Italy, 5.6 per cent; Britain (excluding Northern Ireland), 5.2 per cent; France and the Netherlands, 4.8 per cent; Denmark, 4.6 per cent; Germany, 4.5 per cent; Luxembourg, 0.1 per cent.

The statistics, the latest available, are for August, with the exception of Italy (June) and Denmark (July).

Economy

Competitive Aircraft Industry Urged

The fate of the pterodactyl will be shared by Europe's aircraft industry if it does not join forces to survive in today's highly competitive world, according to the EC Commission.

The Commission gave this warning early in October in its first proposal to carry out the political decision by the EC Council of

Ministers last March to coordinate policy on their countries' aerospace industries. If passed by the Council, the proposal would become law, creating: a common policy for the civil aircraft industry; a European "airspace" with common aviation rules and flight routes based on regional needs rather than national vanities.

Labor Market Statistics to Expand

In order to improve statistical coverage of the labor market in the Community, the Commission has drawn up a comprehensive program for the EC Statistical Office. Precise information on labor markets is essential for Community policy in many areas, not only in short-term economic analysis, but also in regional and social policy and in the field of education, environment, and agriculture.

The aim of this program is not only to collect more information on the situation on the labor mar-

kets but, above all, to make the available information from the individual member states more easily comparable. The planned improvements are designed to expand previous statistics to form a coherent system of labor market statistics in which the various fields covered complement one another meaningfully. There follows four examples from the eight-point program:

- Census: In 1981 a census will for the first time take place simultaneously in all the member coun-



tries, with a common list of questions prepared at EC level.

- Sample surveys: Since 1968, regular sample surveys have been carried out among households using methods drawn up at Community level. These surveys are to be continued and will now include additional questions, notably on unemployment among young people and women and "hidden" unemployment.

- Annual figures on employed wage and salary earners: Statistics have up to now existed only for employed wage and salary

earners in industry. Under the new program, this statistical area will be reviewed and extended to cover all sectors of the economy.

- Short-term information on the labor market: The monthly unemployment and vacancy figures in the Community are based on information produced by the labor exchanges in the member states. Since administrative procedures and statutory requirements (e.g., the obligation of unemployed persons to register) vary from country to country, national figures are hardly comparable. The goal is harmonization.

EC Economic Think-Tank Is Proposed

To get economists in the "Nine" thinking in Community and not national terms and to provide an economic think-tank to back up the Community's day-to-day economic decisions, the EC Commission wants the member states to let it set up a medium-term economic research institute.

At the institute 20 economists

would work on projections for the Commission and would coordinate the work of national research institutes so that they work in tandem and not in parallel.

A budget of 1 million units of account (UA) in 1976 is envisaged, rising to UA 3.2 million in 1978 when the institute would be fully operational.

Energy

North-South Dialogue Resumes in Paris

The preparatory conference on energy and raw materials ended its work in Paris October 16 without the collision and disruption of last April. The European Community—represented as a unit—the United States, Japan, and seven developing countries—Zaire, Brazil, Saudi Arabia, India, Iran, Venezuela, and Algeria—laid the groundwork for the full ministerial conference scheduled to begin December 16 in Paris.

Though there had been forecasts that the developing countries' representatives would try to

push through a declaration of general orientations for the full conference itself, in the end the "Seven" simply presented a position paper to be used in the round of diplomatic manoeuvres that will now lead up to the full conference. The United States did the same, while Japan and the European Community preferred to postpone publishing their positions.

Leaving the general orientations of the full conference up to the ministers in December, the 10 participants did define specific guidelines for the work to be done by

the four committees and put them all on equal footing—the committee on energy, the committee on

raw materials, the committee on development, and the committee on monetary and financial affairs.

Impact on EC of OPEC Price Decision

A slowdown in output, a general increase in prices, and a deficit in the EC balance of payments are the probable consequences for the Community of the OPEC decision taken September 27 in Vienna to boost oil prices by 10 per cent. That is the opinion of the EC Commission.

The effects of the price hike, which applies to the period of October 1, 1975, to June 30, 1976,

will not be felt until the first half of 1976 due to present stocks and the time needed to ship the more expensive oil. Though an exact evaluation of the effects is impossible at this time, the Commission estimates that the increase, which will boost OPEC revenues some \$10 billion, will add \$4 billion to the EC payments bill—pushing its balance into deficit.

Atomic Energy Cooperation Continues

A cooperation agreement between the European Atomic Energy Community (Euratom) and the International Atomic Energy Agency (IAEA) was approved by EC foreign ministers in September.

The agreement, which in the main gives formal blessing to existing links, covers regular consultation on matters of mutual

interest.

EC representatives will attend the IAEA general conferences as observers when there are agenda items of interest to Euratom. There will also be reciprocal representation of both sides at other meetings of interest, and a full exchange of information and documentation is also planned.

Food and Development Aid

Ratifying and Joining Lome Convention

Twenty-three of the 46 African, Caribbean, and Pacific countries which signed the Lomé Convention on trade and aid with the Community have already completed ratification procedures, leaving only eight more ratifications needed on the ACP side before the convention can be fully implemented. (Its trade provisions are already in effect on an interim basis.)

On the EC side, only Denmark

has already ratified the Convention. At the EC foreign ministers meeting September 15-16 the Commission urged the remaining member countries to speed up the process, and on October 16 the European Parliament unanimously voted a resolution calling for immediate ratification.

Meanwhile, the Commission has asked the Council to find a way to speed up the procedure of admitting new members to the Lomé

Convention. The Commission has already received an application from Sao Tome Principe, and more are expected soon, particularly from Mozambique and the Cape Verde Islands. Papua, New Guinea, which became independ-

ent September 16, is also reportedly anxious to join. As the agreement stands now, new applications cannot be reviewed until the convention is completely ratified and the institutions are in place.

Helping the FAO Combat Foot and Mouth

Half a million doses of foot and mouth vaccine have been made available by the EC Commission to the United Nations Food and Agriculture Organization (FAO) in Rome.

The gift, announced October 2, will help the FAO stem outbreaks of exotic viruses Aisa 1 and 22 in southeastern Europe, particularly

Greece and Turkey. In the process, it is hoped, a buffer zone will be created to prevent the disease from spreading to Community herds.

Since 1974 the Community has given to the FAO a total of 2,300,000 doses of vaccine, worth 509,000 units of account (UA) in all. (One UA equals one 1970 dollar.)

EC Cooperation With Private Agencies

More cooperation with non-governmental organizations working in the field of development has been proposed to the Council of Ministers by the Commission.

These non-governmental agencies mobilize private capital for small-scale projects in developing countries. The projects can be more efficiently and more cheaply carried out by unstructured organizations of this sort.

The Commission feels that if it were given a budget of 5 million units of account (UA) to work with these bodies—in certain cases

financing up to 50 per cent of a project—the efforts of the two would be complementary. Moreover, the Commission could help coordinate on a European scale work being undertaken by organizations in individual member countries. (One UA equals one 1970 dollar.)

The Commission would only cooperate on projects or with organizations which had previously received the approval of the developing country for which the project was planned.

Agriculture

A Common Sheepmeat Market

Freer trade and alignment of structures in the lamb and mutton market are the goals of an EC Commission proposal on a transitional arrangement for sheepmeat.

Sheepmeat is one of the few agricultural products for which

there is no common market organization. The proposed arrangements are a first step for remedying that. They involve a progressively decreasing compensatory tax on French imports from Britain and Ireland, and a steady degres-

sion of British subsidies to the sheep breeder.

France, Britain, and Ireland are the sole producers of sheepmeat on a large scale and also the biggest per capita consumers. Selling to France had been proving a problem for the British and Irish, despite entry into the European Community, since France only opens its borders periodically so that imports will not undercut its high-price infant industry.

The new two-year arrangements will not affect imports from New Zealand, which meets most of the Community's import needs (which are mainly in the United Kingdom). This trade and its protection was nevertheless high on the agenda when Joseph Walding, New Zealand's overseas trade minister, had talks with Commission Vice President Christopher Soames and Commissioner Pierre Lardinois in September.

Regional Policy

First Regional Fund Grants Approved

The Commission has approved the first grants to come from the Regional Development Fund. A total of 160 million units of account (UA) will be distributed to 655 investment projects throughout the Community. This first effort represents a little over half of the 300 million UA set aside for allocation in 1975. The projects getting help this time represent a total investment of UA 1,234 million. (One UA equals one 1970 dollar.)

Commissioner George Thomson, responsible for regional policy, announced the grants on October 17. In making the announcement, Thomson heralded the flexible decision-making mechanisms, particularly the mandate given him by the Commission, and applauded the efficiency of the ten-man team that processed the requests.

The Regional Development Fund was officially brought into existence last March with a total of UA 1,300 million at its disposal for the 1975-1977 period. The fund helps finance industrial, handicraft, and service investments in regions eligible for national aids. They must aim at creating new jobs or helping safeguard existing ones. The fund can also help finance infrastructure projects directly related to job-creating investment or to agriculture areas facing special problems of geography or climate.

Of the first UA 160 million approved, UA 100 million went to 448 infrastructure projects, with the remainder being spread among 207 various investment projects in the industrial, handicraft, and service sectors intended to create or maintain 36,000 jobs.

Thomson Urges Rural-Urban Balance

Rural areas should not be viewed in isolation when pursuing regional policies, Commissioner George Thomson told the first convention of regional authorities from the peripheral areas of Eu-

rope, October 14 in Galway, Ireland.

He told participants that actions aimed at reducing urban concentrations or at decentralizing industry should always have the requirements of rural areas close in

mind. At the same time, any conscious efforts to stimulate growth in a given place should make sure that the resulting benefits will spread out to the surrounding rural region.

The Commission, Thomson said, must be able to monitor Community expenditure and ensure that it conforms to both rural and

urban needs in today's interdependent society. The key is the EC regional fund's requirement that (after 1977) any projects receiving grants be part of national programs of balanced development. Thus the Commission would deny subsidies to projects which are piecemeal or which are the result of political or other pressures.

Competition Policy

Commission Rules on Patent Agreements

Clauses in patent agreements which give licensees the right to veto granting of additional licenses by the patentholder have been ruled illegal by the EC Commission, which is the arbiter of the legality of all concerted practices in the Community under EC competition regulations.

Specifically, the Commission has ruled unacceptable a clause in a Dutch agreement making the granting of further licences sub-

ject to the approval of at least two of the existing licensees. The firms involved are NV Heidemaatschappij, which holds the patent for a process for lowering the water table, and four other Dutch drainage firms—Land Development and Reclamation Company, BV Grondboorbodrijf, De Ruiter Boringen en Bemalingen, and Reinders Wessemius Grondboordrijven.

Scrap Metal Agreement Given Okay

A joint buying agreement between two French firms, Sicaworms SA, of Paris, and Léon Giron SA, of La Chapelle-St-Luc (Aube), has been given the green light.

The Commission, which announced its decision on September 12, examines all concerted practices in the iron and steel industry to make sure they do not

distort competition to the detriment of the consumer.

In this case, the Commission concurred that the agreement, which involves joint purchasing of scrap iron in the Troyes area of France, was found to satisfy the tests for authorization in Article 65(2) of the European Coal and Steel Community Treaty.

French Auto Firms Under Investigation

A rebate system on spare parts operated by four French car manufacturers—Renault, Peugeot, Simca-Chrysler, and Citroen—has come under the scrutiny of the EC Commission, which suspects this may be distorting free competition and therefore infringing EC com-

petition rules.

Article 85 of the Rome Treaty forbids concerted practices unless they can be proven not to be disrupting competition or to be in the interests of the consumer. The results of the inquiry are expected later in the autumn.

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

The Unhinged Alliance: America and the European Community. By J. Robert Schaezel. A Council on Foreign Relations Book, published by Harper and Row, New York, 1975. 184 pages with index. \$8.95.

A comprehensive analysis of US-European Community relations, from the Community's conception in the Fifties to the present.

The author, a former US ambassador to the European Communities, show how the Atlantic alliance partners "have moved from the cooperation on economic issues and consensus on defense that characterized their relationship in the Fifties, through the turmoil of the Sixties, toward egocentricity and indifference in the Seventies." Chronicling events in US-EC relations throughout this period, Schaezel concludes that "behind the turmoil, urgent demands, and conflicts which cursed Atlantic affairs lies a deep American and European acknowledgment of mutual dependence." In the book's introduction, the editor of the Council on Foreign Relations Books calls attention to Schaezel's "strong opinions and sharp judgments, particularly on the content and the methods of American foreign policy in the past five years."

The Men Behind the Decisions: Cases in European Policy-Making. By Glenda Goldstone Rosenthal. DC Heath and Company, Lexington Books, Lexington, Massachusetts, 1975. 167 pages with notes, bibliography, and index. \$12.50.

A study relating "theoretical proposals about how European

institutions work to the individuals who actually work for the institutions."

The author attempts to shed some light on the Community's complicated decision-making processes by applying three different analytical approaches to five case studies of decision-making. Each case—the introduction of the Community's generalized preferences, association agreements with Morocco and Tunisia, free movement of labor within the Community, agricultural prices and structures, and economic and monetary union by 1980—was analyzed through each of the conceptual plans in turn. The author takes into account the variables affecting decision-making, such as the subject in question and time of its consideration, the men, groups, and institutions involved, and external pressures. The author concludes that "... the attitudes, predispositions, and ways of looking at the world of the men involved in decision-making in the European Community seem to emerge ... as an important linkage factor between the different 'types' of decision-making. ..."

Participation in Management: Industrial Democracy in Three West European Countries. Edited by W. Albeda. Rotterdam University Press, 1973. 104 pages.

Report of a conference held in 1972 by the Industrial Relations Research Associations of Belgium, Germany, and the Netherlands.

The volume contains the four papers introduced at the conference and is useful in comparing developments in the three nations concerned. The results are studies of the German experience in the field of co-determination, of trade union roles in Belgian enterprises, and of Dutch experiments using changes in job contents and workshop organizations as a means of improving the quality of working life.

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.

EUROPE AND ITS ENVIRONMENT: PROGRAMME FOR A BETTER QUALITY OF LIFE. Commission of the European Communities, Brussels, 1975, 24 pages. free
Brochure on the environmental programs at the Community level to combat air, river, marine, and land pollution.

COMPENDIUM OF COMMUNITY MONETARY TEXTS. Commission of the European Communities, Brussels, 1974, 173 pages . . \$6.00
Collection of legal texts relating to economic and monetary union up to July 1974. Covers the Monetary Committee, Committee of Governors of the Central Banks, exchange rate system, Monetary Cooperation Fund, coordination of economic policies, capital markets, and unit of account.

THE UNITED KINGDOM ECONOMY. *Studies, Economic and Financial Series No. 9,* Commission of the European Communities, Brussels, 1975, 158 pages \$3.60
Report providing a basic picture of the structure of the British economy and its development into the 1970's. Reviews demographic trends, national income aggregate and regional disparities, main industrial sectors, labor relations, public finance, nationalized industries, financial institutions, monetary policy, external trade and payments.

GENERAL INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITIES WITHIN THE EUROPEAN COMMUNITIES N.A.C.E.—1970. Statistical Office of the European Communities, Luxembourg, 1975, 98 pages \$2.50
English translation of the original N.A.C.E., published in 1970. Statistical classification used for economic activities of units, such as businesses, in the sphere of production. Comparable with the International Standard Industrial Classification at the two-digit level.

DEVELOPMENT AND RAW MATERIALS—PROBLEMS OF THE MOMENT. *Supplement 6/75, Bulletin of the European Communities,* Commission of the European Communities, Brussels, 1975, 56 pages free
Contains the major sections of four Commission communications on international economic relations. Includes the papers on the 7th Special Session of the UN General Assembly, relations with developing countries exporting raw materials, product agreements to limit price fluctuations, and international action on stabilization of export earnings.

FOUR NEW RESEARCH PROGRAMS OF THE COMMUNITY. *Information Memo P-43,* Commission of the European Communities, Brussels, July 1975, 10 pages, free
Outlines Commission proposals for renewal of four multinational research programs: fusion and plasma physics (1976-80); environment (1976-80); biology and health protection (1976-80); and reference materials and methods (1976-78).

INVENTORY OF TAXES 1974. Commission of the European Communities, Brussels, 1975, 679 pages \$20.00
Survey of the duties and taxes levied by the national and local authorities in the Member States as of April 1, 1974. Gives legal citation, beneficiary, payee, basis of assessment, rate, method of collection, and special features of each tax.

RAPPORT SUR L'APPLICATION DE LA TVA AUX OPERATIONS IMMOBILIERES AU SEIN DE LA COMMUNAUTE. *Serie concurrence-Rapprochement des legislations No. 21,* 1971, 157 pages \$6.00

LES OPERATIONS FINANCIERES ET BANCAIRES ET LA TAXE SUR LA VALEUR AJOUTEE. *Serie concurrence-Rapprochement des legislations No. 22,* 1973, 49 pages \$2.50

ETUDE SUR L'APPLICATION DE LA TAXE SUR LA VALEUR AJOUTEE AUX PETITES ENTREPRISES DANS LES SIX ANCIENS ETATS MEMBRES DE LA COMMUNAUTE. *Serie concurrence-Rapprochement des legislations No. 23,* 1973, 45 pages \$2.50

ETUDE DES PROBLEMES PARTICULIERS POSES PAR L'APPLICATION DE LA TAXE SUR LA VALEUR AJOUTEE AU SECTEUR AGRICOLE DES PAYS DE LA COMMUNAUTE EUROPEENNE. *Serie concurrence-Rapprochement des legislations No. 24,* 1973, 72 pages \$2.50

Series of studies in French on the value-added tax, prepared for and published by the Commission of the European Communities. Used for the preparation of the draft sixth directive on the VAT, concerning harmonizing the basis of assessment. Covering real estate, financial and banking activities, small business, and agriculture respectively, each study analyzes the existing system of taxation and proposes a common system for each sector.

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