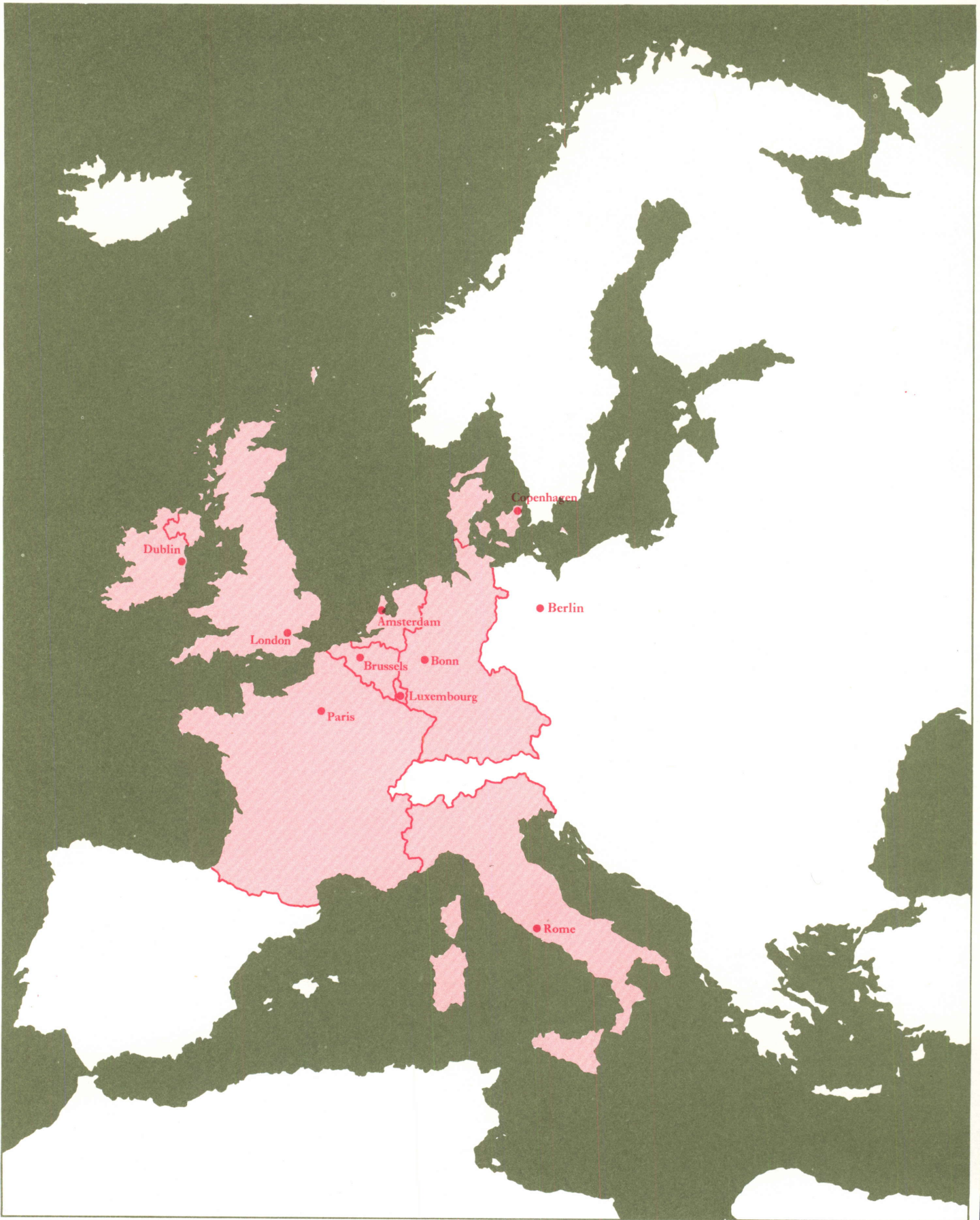


The European Community

November 1974



**Facts and
Figures**





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The Community in brief

WHAT?

The European Community is uniting the economies of nine nations:

Belgium	Germany	Luxembourg
Denmark	Ireland	Netherlands
France	Italy	United Kingdom

The Community's six founder-members – Belgium, France, Germany, Italy, Luxembourg, and the Netherlands – have established a customs union which the new members are now completing.

Together, all nine members are laying the foundations of economic and monetary union.

They have agreed to form a 'European Union'.

Legally, there are three European Communities, but they share the same institutions. The three are:

The *European Coal and Steel Community* (ECSC) set up by the Paris Treaty of April 18, 1951. It began work on August 10, 1952, and paved the way for economic unity by placing its six founder-members' coal and steel in a single 'common market'.

The *European Atomic Energy Community* (Euratom), set up by the Rome Treaty of March 25, 1957, to promote the peaceful uses of nuclear energy on a Community scale.

The *European Economic Community* (the Common Market) set up by a second Rome Treaty of March 25, 1957. With Euratom, it began work on January 1, 1958,

to remove the economic barriers between its member States and integrate their economic policies.

Denmark, Ireland, and the United Kingdom joined all three Communities on January 1, 1973.

WHY?

- To put an end to the centuries of national prejudice, national discrimination, and armed conflict in Europe which culminated in two world wars.
- To get rid of antiquated economic frontiers which split Western Europe into small protected markets.
- To harness the energies of more than 250 million people for greater welfare and a better life.
- To fight rising prices and threats to full employment.
- To make the Community a single economic area, promoting technological progress and the efficient use of resources in both agriculture and industry.
- To help remove economic injustice between people and between regions in the Community.
- To recover together some of the world influence that Western Europe's separate nations can no longer command alone.
- To be a stronger force for peace and a better source of aid for the world's poor.
- To bring greater stability to world affairs and help build international law and order.

A new way of working together

THE COMMUNITY IS NOT JUST ANOTHER INTERNATIONAL ORGANIZATION

- It is established for an unlimited time, and aims at an 'ever closer union among the peoples of Europe'.
- For this purpose, its member States have conferred limited but real powers on its permanent institutions.
- These institutions not only apply the founding treaties which are the Community's 'constitution', but are also engaged in a continuous process of legislation, making and revising policy as new situations arise.
- The 'executive' Commission, which prepares common policy proposals, is independent of national Governments and is pledged to act in the interests of the Community as a whole.
- The policy-making Council of Ministers, in which each member Government is represented, can in certain cases act by majority vote, thereby avoiding deadlock.
- The European Parliament, which has to be consulted on all major policy proposals, is acquiring control over the Community's budget, can compel the Commission to answer questions, and can vote it out of office.
- The Community's Court of Justice, before which any member State can be sued by another or by the Commission, hands down rulings that are final and binding on the Commission, the Council, the national Governments, individuals, and firms, any of whom can appeal to it on Community matters.
- A number of Community decisions apply directly in the member States without having to be embodied in national legislation; such decisions form an embryo of Community law.
- The Commission, the Judges of the Court, and the staff of all the Community institutions are forbidden to seek or accept instructions from national Governments.
- The Commission can impose heavy fines on firms for breaking certain Community rules, including anti-trust regulations; for this and other purposes, including nuclear safeguards, it can inspect Community firms-books.
- From 1978, all the Community's operations are due to be financed directly from Community resources.

New dimensions

DIVIDED



GERMANY
59 million



FRANCE
51 million



NETHERLANDS
13 million



IRELAND
3 million



DENMARK
5 million



ITALY
55 million



UNITED KINGDOM
55 million



LUXEMBOURG
1/3 million



BELGIUM
10 million

UNITED

The European Community covers an area of only 591,000 square miles; but within it live 253 million people – more than in the Soviet Union or the United States. Its combined Gross National Product is more than half that of the USA; it is the world's largest producer of cars and a leading producer of farm goods.

It is the world's largest trader and the major importer of goods from the less developed countries.

More than 90 countries have accredited diplomatic representatives to the Community, and it has negotiated trade or association agreements with more than 50 countries in Europe and elsewhere.

The Community is not a 'super-power': but its economic strength gives it great world influence.



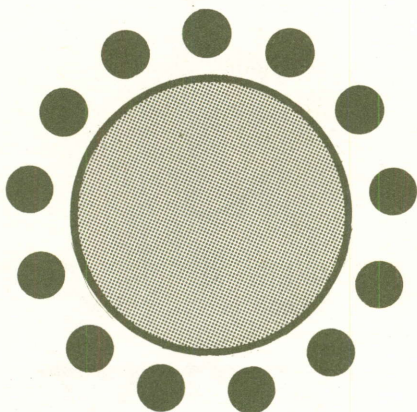
SOME COMPARISONS

	Community	USA	USSR
Area (thousand square miles)	591	3,600	8,600
Population 1972 (millions)	253.1	207.5	244
GNP (\$ thousand million at market prices, 1973; USSR 1972)	694.1	1,068.8	300
Imports (£ million, 1973; USSR 1972)	93,837.5	29,793.5	6,917.2
Exports (£ million, 1973; USSR 1972)	90,712.5	30,742.6	6,621.6
Official foreign aid (\$ million 1973)	3,426.8	3,349.0	—
as percentage of GNP	0.41	0.29	—

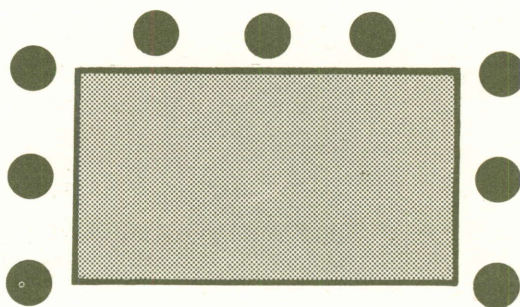
How the Community works

THE INSTITUTIONS OF THE EUROPEAN COMMUNITY

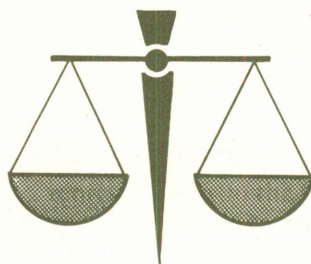
European Commission



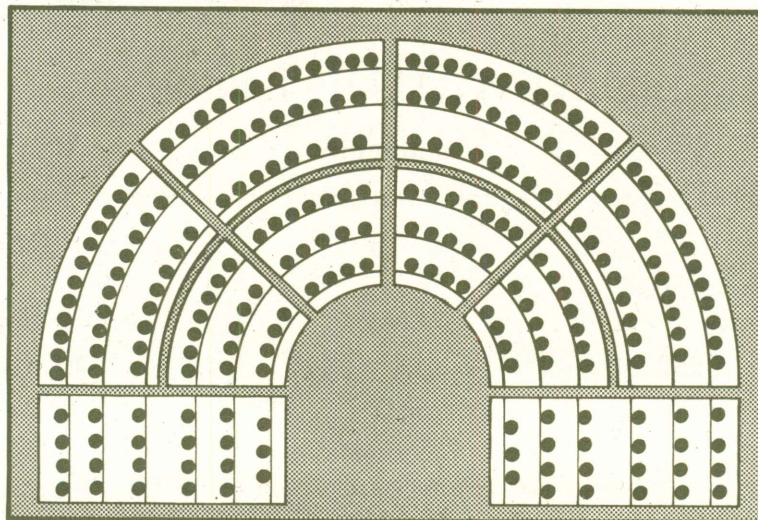
Council of Ministers



Court of Justice



European Parliament



The **Commission** and the **Council** provide the main day-to-day impetus in the Community's decision-making process. The Commission makes policy proposals after consulting a wide range of experts and interested parties; the Council takes the final decisions after consulting the **European Parliament** and the Economic and Social Committee and after discussion in the Committee of Permanent Representatives. The **Court of Justice** is the ultimate court of appeal.

The Commission

13 members – 2 each from France, Germany, Italy and the United Kingdom, 1 each from Belgium, Denmark, Ireland, Luxembourg, and the Netherlands. They are appointed jointly by the member Governments for a 4-year renewable term, within which the President and 5 Vice-Presidents hold office for a 2-year renewable term. Once appointed, the Commissioners are *not* national representatives or civil servants, but Community statesmen pledged to act independently in the common interest.

The Commission is (1) a *policy-planning body*, initiating Community action; (2) a *mediator between Governments*, steering its policy proposals through the Council and adjusting them if necessary in the light of the discussion; (3) an *executant*, taking many detailed decisions; (4) a *watchdog*, in the last resort taking Governments or firms to the Court for breaches of Community law.

The Commission reaches its decisions by simple majority vote if necessary, and is collectively answerable to the European Parliament. But each of its members is mainly responsible for one or more of its departments, or Directorates-General.

The Commission has 19 Directorates-General and 10 specialized services.

Directorates-General: I External relations; II Economic and Financial Affairs; III Industry and Technology; IV Competition; V Social Affairs; VI Agriculture; VII Transport; VIII Development and Co-operation; IX Personnel and Administration; X Information; XI Internal Market; XII Research, Science, and Education; XIII Dissemination of Technical and Scientific Information; (XIV superseded); XV Financial institutions and Taxation; XVI Regional Policy; XVII Energy and Euratom Safeguards and Control; XIX Community Budgets; XX Financial control.

Specialized services: Secretariat-General; Legal Service; Spokesman's Group; Statistical Office; Joint Research Establishments; Administration of the Customs Union; Environmental and Consumer Service; Euratom Supply Agency; Security Office; Official Publications Office.

To perform all these tasks, the Commission has a staff of 7,375 people of whom one in ten are translators or interpreters.

Who does what in the Commission

President
François-Xavier Ortoli
French
General secretariat
Legal service
Spokesman's Group
Security Office

Vice-President
Wilhelm Haferkamp
(German)
Economic and monetary affairs, including ECSC credit and investments

Vice-President
Carlo Scarascia Mugnozza
(Italian)
Relations with the European Parliament, in conjunction with the Commission President
Environmental policy
Consumer protection
Transport policy
Press and information

Vice-President
Sir Christopher Soames
(British)
External relations

Vice-President
Patrick Hillery
(Irish)
Social policy

Vice-President
Henri Simonet
(Belgian)
Taxation; financial institutions (banking and insurance); harmonization of company law
Energy policy
Euratom safeguards and control
Euratom Supply Agency

Claude Cheysson
(French)
Development aid and co-operation policy
Community budgets
Financial control

Altiero Spinelli
(Italian)
Industrial and technological policy

Albert Borschette
(Luxembourg)
Competition
Personnel and administration

Guido Brunner
(German)
Research, science and education (includes external relations in the scientific, technical and nuclear sectors); dissemination of technical and scientific information; mutual recognition of diplomas
Joint Research Centre
Statistical Office

George Thomson
(British)
Regional policy

Finn Olav Gundelach
(Danish)
Internal market (includes removal of technical barriers to trade; right of establishment and freedom to supply services; harmonization of economic legislation; European company law)
Administration of customs union

Petrus Lardinois
(Dutch)
Agriculture

The Council

9 Ministers, each representing one of the member Governments, the actual Ministers depending on the subject under discussion. The Presidency is held for six-month terms in alphabetical order of the member States' names as spelt in their respective languages.

The Council's main role is to decide on Commission proposals. The Commission is present at Council meetings, and if it refuses to alter its proposals the Council can do so only by voting unanimously, thereby protecting minorities. In practice, majority voting in the Council is rare: when it takes place, national votes are normally weighted, giving Britain, France, Germany, and Italy

10 votes each, Belgium and the Netherlands 5 each, Denmark and Ireland 3 each, and Luxembourg 2. Out of this total of 58 votes, 41 are needed for a majority, which must include the votes of 6 member States in cases where the Treaty does not require the Commission to make a proposal.

Council meetings are prepared by the Committee of Permanent Representatives (Coreper), the member States' 'ambassadors to the Community', with the Commission represented at all levels.

The Council has its own Secretariat-General with 1,186 officials of whom one in five are linguistic staff.

The European Parliament

198 Members, at present chosen by and from the national Parliaments, although the founding Treaties envisage their ultimately being elected by direct universal suffrage throughout the Community. 36 seats are allotted to Britain, France, Germany and Italy; 14 each to Belgium and the Netherlands; 10 each to Denmark and Ireland; and 6 to Luxembourg: but Members sit in party groups, not national delegations. In late 1974 there were 50 Christian Democrats, 48 Socialists, 26 Liberals, 20 European Conservatives, 15 Communists and Allies, 16 Progressive European Democrats, and 7 Independents. There were 16 vacant seats.

The Parliament's main task is to monitor the work of the Commission and the Council. It has to be consulted on most Commission proposals before the Council can take a decision on them, and its Members can put written and oral questions to both the Commission and the Council. It has 12 standing committees: on Political Affairs; Legal Affairs; Economic and Monetary Affairs; Budgets; Social Affairs and Employment; Agriculture; Regional Policy and Transport; Public Health and the Environment; Energy, Research and Technology;

Cultural Affairs and Youth; External Economic Relations; and Development and Co-operation. They hold 'hearings', normally in private, with representatives of the Commission, national Ministers and officials, trade union and industrial bodies, as well as other public and private groups, and then draw up reports for the plenary session, which may lead the Commission to change its original proposals.

The Commission must report annually to the European Parliament, which can dismiss it on a two-thirds majority vote of no confidence. The Parliament has no such power over the Council. But it gives its opinion on the Community's annual budget, and from 1975 onwards is to have the final say on the 'non-obligatory' parts of it - i.e. expenditure other than that which necessarily results from the Community Treaties or from consequential Community legislation. Commission proposals for further gradually increasing the Parliament's powers are at present before the Council. The European Parliament has a permanent staff of 1,166 officials, including 260 linguistic staff and 110 employed by the six political groups.

The Court of Justice

A supreme court of 9 independent judges, assisted by 4 advocates-general, all appointed jointly by the member States for renewable six-year terms. The present judges are: Robert Lecourt (President); André Donner (President of the First Chamber); Max Sørensen (President of the Second Chamber); Hans Kutscher; Lord Mackenzie Stuart; Josse Mertens de Wilmars; Riccardo Monaco; Cearbhall O Dálaigh; and Pierre Pescatore. Their decisions are taken by simple majority vote, and dissenting opinions are not made public.

The Court is the final arbiter on all legal questions under the Community Treaties. It deals with disputes between member States; between member States and Community institutions; and between Community institutions and firms, individuals, or Community

officials. It can hear appeals from member States, from the Commission, from the Council, or from any individual, on all of whom its rulings are binding. It thus acts as an international court, a constitutional court, an administrative court, a civil court, and a court of appeal. At the request of national courts it can also, and increasingly does, give preliminary rulings on the interpretation of Community law.

National courts are responsible for enforcing Community legislation, but they retain full jurisdiction over criminal and ordinary civil law, which remains the responsibility of the member States.

By the end of 1973, more than 1,000 cases had been submitted to the Court. It has 254 officials, including 40 linguistic experts.

Advisory Committees

In addition to these Community institutions, more than 70 consultative bodies aid the Community's work. The most important include:

The Economic and Social Committee

A 144-member body representing employers' organizations, trade unions, and other interests (including consumers), in equal numbers. Twenty-four seats each are allotted to Britain, France, Germany, and Italy; 12 each to Belgium and the Netherlands; 9 each to Denmark and Ireland; and 6 to Luxembourg. The Commission and the Council must consult the Economic and Social Committee on all major proposals, and it may also give advice on its own initiative.

The Consultative Committee

An 81-member body, plus one observer, which fulfils a similar role for coal, steel, iron ore, and scrap.

The Monetary Committee

A 20-member body, two of whom are appointed by each member Government, usually from the civil service or the central bank, and two by the Commission. It advises the Commission and the Council on the member States' and the Community's monetary and financial situation, and on the general payments situation of the member States.

The Economic Policy Committee

National and Commission representatives whose task is to help co-ordinate member States' economic policies.

The Committee of Central Bank Governors

This meets to discuss credit, money-market, and exchange matters, with a member of the Commission attending.

The Committee of the European Social Fund

Representatives of Governments, trade unions and employers' organizations, presided over by a member of the Commission. It assists the Commission with the administration of the Fund.

The Standing Committee on Employment

Representatives of workers, employers, and in some cases of member States, under the chairmanship of the representative of the member State currently presiding over the Council.

The Administrative Commission for the Social Security of Migrant Workers

National officials and Commission representatives, whose task is to help protect the welfare of Community citizens working in a member country other than their own.

The Transport Committee

Experts designated by the member States to advise the Commission on transport problems.

The Scientific and Technical Committee

27 experts appointed by the Council to advise the Commission on the peaceful uses of nuclear energy.

The Nuclear Research Consultative Committee

Government representatives, under the chairmanship of the Commission, which also provides the secretariat.

The Scientific and Technical Research Committee (CREST)

National officials responsible for scientific research, under the chairmanship of the Commission.

The Management Committees

One for each of the 17 main groups of farm products, these consist of representatives of the national administrations, under the chairmanship of a Commission representative. If a Management Committee votes against a Commission proposal, the Commission can still take a contrary decision, which remains in force unless the Council decides against it within one month.

The Article 113 Committee

Representatives of member States, under the chairmanship of the representative of the member State currently presiding over the Council, whose task is to assist the Commission in trade negotiations with non-member countries.

A framework for change

The three Community Treaties, and especially the EEC Treaty, are chiefly a framework for making and adapting policy through consultation and consensus.

How policy is made

1. Commission staff consults experts, committees, and interest groups.
2. Staff completes first study documents.
3. Commission examines first study and sets general guidelines.
4. Commissioner concerned may consult relevant committee of European Parliament; Committee may ask that European Parliament be consulted officially.
5. Commission staff prepares draft proposal.
6. Commission settles final text, orally or by written procedure.
7. Commission sends formal proposal to Council and, usually, European Parliament.
8. Council asks Committee of Permanent Representatives to advise on whether to consult European Parliament and Economic and Social Committee; on some subjects, consultation of European Parliament is obligatory, and as a rule it is consulted on all important matters.
9. As appropriate, Council sends proposal to these bodies.
10. Economic and Social Committee discusses proposal and sends opinion to Commission and Council.
Meanwhile –
11. Appropriate committee of European Parliament prepares draft report on proposal.
12. European Parliament debates draft report, with Commissioners present, votes on it (including any amendment replying to original proposal), and sends opinion to Commission and Council.
13. Commission reports to European Parliament on action in response to its advice.
14. Appropriate Council working party reports on proposal, and on Parliament's advice, to Committee of Permanent Representatives.
15. Committee of Permanent Representatives debates proposal, dividing it into 'A' points where agreement already informally reached and 'B' points where further discussion needed in Council.
16. Council discusses points at issue: in light of discussion, Commission may modify proposal.
17. If no agreement reached, points at issue may go back to Committee of Permanent Representatives and/or Council working party.
18. At request of European Parliament, Council gives reasons if disregarding its advice.
19. When agreement reached, proposal adopted and published in the Community's *Official Journal*. The results may be:

Regulations, or Community laws, legally binding on member countries, and applied directly, like national laws;

Directives, equally binding on member States as regards the aim to be achieved, but leaving national authorities to decide how to carry them out;

Decisions, binding in every respect on those to whom they are addressed, whether member States or firms or private individuals; or

Recommendations and Opinions, which have no binding force.

The Commission, as well as the Council, can issue regulations, directives, decisions, recommendations and opinions on certain subjects such as the day-to-day application of farm policy.

Budget, staff, headquarters

Budget

The Community's operating budget for 1975 is 5,575 million units of account (about £2,320 million). Some 75% of this will be for agriculture, for farm-price support, improvement projects, and export refunds. The remainder is for the European Social Fund, food aid,

From 1980 onwards, all member States are due to adopt the Community's 'own resources' system, whereby it will be financed from farm levies, customs duties, and part of value-added tax, with increased budgetary control by the European Parliament.

Until 1980, two budgetary systems apply: one to the Community's six founder members, and the other to the three new member States.

Founder members

During 1974 the Community is being financed from:

- the levies collected on farm imports (less 10% returned to member States to cover costs);
- 87.5% of customs duties on other imports (less 10% returned to cover administrative costs);
- direct contributions from member States, related to Gross National Product (GNP), to meet any shortfall.

Ultimately, the Community is due to be financed from the farm levies, from the whole of customs duties (less 10% in both cases), and from the revenue of an up-to-1% rate of value-added tax (*not* 1% of the VAT revenue). In the absence of a uniform basis for assessing VAT, national contributions are to be related to GNP.

Until the end of 1977, the amount paid by any member country in any year may not rise or fall more than 2%.

Staff

12,628 people work in the Community institutions. Of these, some 2,000 are in the four Euratom research establishments. The remainder work for the Commission and for the secretariats of the Council, the European Parliament, the Court of Justice, the Economic and Social Committee and the European Investment Bank.

For comparison, 15,000 people work in the UK Ministry of Agriculture, 20,000 in the Departments of Trade and Industry, 74,000 in the Department of the

Headquarters

No final decision has been reached on a permanent headquarters for the Community. At present the *Commission* is based mainly in Brussels, but has its statistical office, financial services and stationery office in Luxembourg. The Secretariat of the *Council* is also in Brussels, and the Council meets there except in April, June, and October, when it meets in Luxembourg. The Secretariat of the *European Parliament* is in Luxembourg; the Parliament meets there and in Strasbourg, in the assembly hall built for the Consultative Assembly of the Council of Europe. The *Court of Justice* is in Luxembourg. The main headquarters addresses are as follows:

and the running costs of the Community's institutions. The financing of the Community budget is at present under review at the request of the United Kingdom. Until changes are agreed, the method is as follows.

New members

During a five-year transition period (1973-7 inclusive), Denmark, Ireland and the United Kingdom are gradually to adopt the full Community system, increasing their maximum annual gross contributions from approximately 1.1%, 0.27% and 8.7% respectively in 1973 to approximately 2.4%, 0.8% and 19.2% respectively in 1977.

During 1978 and 1979, increases in the three new member States' contributions will be limited to prevent sudden 'jumps'.

In 1980, the three new members are due to adopt the system whereby the Community is financed from the farm levies, from the whole of customs duties (less 10% in both cases), and from the revenue of an up-to-1% rate of VAT (*not* 1% of VAT revenue) - as in the case of the founder members from 1975 onwards.

Environment, 34,000 in the Department of Employment, and 12,800 in the Foreign and Commonwealth Office.

Community officials, who are recruited by the institutions themselves, are forbidden, as are Members of the Commission, to seek or accept instructions from any member Government or other outside body.

The Community institutions work in six languages in which official documents are published: Danish, Dutch, English, French, German, and Italian.

Commission: 200 rue de la Loi, 1049 Brussels; Tel.: 735.00.40/735.80.40; Telex: 21877.

Council: 170 rue de la Loi, 1048 Brussels; Tel.: 736.79.00/736.89.40; Telegrams: Concilium Bruxelles; Telex: 21711 Consil B.

Parliament: Centre Européen, Case postale 1601, Luxembourg (Grand Duchy); Tel.: 477 11; Telex: 494 Parleuro L.

Court: Kirchberg, Luxembourg (Grand Duchy); Tel.: 476 21; Telegrams: Curia Luxembourg; Telex: Curialux 510 Luxembourg.

Removing barriers

A first task for the Community is to remove the economic frontiers that so long divided Western Europe.

Economic frontiers cannot be dismantled overnight. But if people are to plan ahead and adapt to change, the time for adjustment cannot be unlimited: barriers must come down on schedule and for good.

Beginning in 1953 by eliminating national barriers to trade in coal, steel, coke, iron ore and scrap, the Community is gradually establishing a single economic entity throughout which goods, people and money will be able to move freely.

Barriers to trade

Customs duties

By July 1968, customs duties on trade among the original six member States of the European Community had been abolished. Those between the three new members, and between them and the original six, are to be reduced by 20% a year and eliminated in 1977 (see timetable).

By July 1968 the original six members of the Community had also replaced their national tariffs on imports

from the rest of the world by a common external tariff based on the arithmetical average of those it superseded. In two rounds of worldwide tariff negotiations, the common external tariff has been reduced to an average level of 6%. The three new member States are gradually to move their outer tariffs upwards or downwards towards the common external tariff, ending in 1977.

Quantitative restrictions

The original six member States removed the last quantitative restrictions on trade between them on December 31, 1961. The three new members did so on January 1,

1973, except for a few 'sensitive' products. Restrictions on these, and measures of equivalent effect, are to be removed by January 1, 1975.

Completing the customs union

How the new member states are fitting in

DATE	INTRA-COMMUNITY TARIFFS	QUANTITATIVE RESTRICTIONS	MOVES TOWARDS COMMON EXTERNAL TARIFF
1973 January 1	—	Removed from most goods	—
April 1	Cut by 20%	—	—
1974 January 1	Cut by 20%	—	40%
1975 January 1	Cut by 20%	Removed from 'sensitive' products	20%
1976 January 1	Cut by 20%	—	20%
1977 July 1	Cut to zero	—	Common tariff

Notes

(1) For beef and veal, each tariff change is due at the start of the marketing year, and the 40% move towards the common external tariff in 1974 was replaced by two moves, in 1973 and 1974, of 20% each. The same timetable applies to the 'fixed components' protecting processed cereals, rice, fruit, and vegetables.

(2) For horticultural products, the first 20% cut in intra-Community tariffs, and a first 20% move towards the common external tariff, took place on January 1, 1974, and the last tariff change in each case is to be delayed until January 1, 1978. Each tariff change is likewise subject to a 10% tolerance after January 1, 1975.

(3) For other agricultural goods, including fishery products, the first 20% cut in intra-Community tariffs was delayed until July 7, 1973.

Non-tariff barriers

Customs duties and quantitative restrictions are not the only obstacles to be removed within the Community.

Divergent trade policies, customs procedures, tax systems, technical standards, and health and safety rules can also hamper intra-Community trade. So can discriminatory freight-rates for transport, and national discrimination in public works contract awards. Cartels and monopolies, including state monopolies, may also practise national discrimination, making imports from other member States artificially dearer, or even trying to prevent them.

Customs procedures

The six original member States have already standardized and simplified many **trade and customs procedures** and established a Community transit system to eliminate unnecessary formalities. They have a common liberalization list of more than 900 products than can be freely imported, a common definition of the origin of goods, and a uniform method of determining the customs value of imports. The three new member States are due to apply the same system by December 31, 1977.

Fiscal frontiers

As a first step towards abolishing **fiscal frontiers**, all nine member States had by April 1, 1973 adopted a Value-Added Tax system in place of turnover or purchase taxes, and they are ultimately to assess it on a uniform basis. Other indirect taxes and excise duties are also to be made more comparable (but not uniform); and since January 1, 1973 citizens of all member States have had the right to import from other member countries a total of some \$150 worth of duty-free goods in their personal baggage. On July 1, 1973 the Community also abolished frontier checks on green insurance cards.

Technical obstacles

In 1969 the six original members of the Community agreed on a general timetable for eliminating **technical obstacles** to trade. The enlarged Community approved a further such programme in 1973; by February 1974 the Council had agreed on more than 40 directives to this end. In some cases it involves the harmonization of laws; in others, it may be enough for each member State to accept goods from any other provided they meet the technical, health, or safety specifications required in the country of origin. The aim is not tidiness, but easier trade.

Freight-rates

Discriminatory freight-rates for the rail transport of coal and steel, which made international journeys within the Community dearer than similar journeys within national frontiers, were abolished by the six original members of the Community under ECSC rules. In 1961 the Community suppressed national discrimination in road, rail, and water transport for all goods: rates and conditions must be notified to the Commission, which can inspect books and fine offenders. But differences between

national laws, for example on lorry sizes and axle weights, still prevent fully free movement across frontiers. States can still ban 'juggernauts' from certain roads.

Public works contracts

Many types of national discrimination in awarding **public works contracts** have been banned since August 1972. Invitations to tender in civil engineering and building must be advertised in the Community's *Official Journal* if they involve a million or more units of account (pre-depreciation dollars), and tenders from any member country must be considered. Further opening up of the public works market is planned at the latest by 1978.

Frontier checks

The Community is also studying ways of reducing the hindrance to trade caused by **checks at frontiers**.

Cartels

The Community treaties forbid **cartel agreements and practices** if they restrict or distort trade between member countries, in particular by price-fixing, market-sharing, limiting output or technical development, or imposing discriminatory supply conditions. Firms breaking the rules are fined up to a million units of account, or 10% of turnover. Well over 40,000 agreements have so far been notified to the Commission. Many have been exempted because they scarcely affect trade between member countries, or because they make for better production, distribution, research, accounting, storage, transport, etc., or otherwise help smaller firms to compete with the giants. Others have been banned and disbanded, building up further Community case-law.

Monopolies

The abuse of **dominant or monopoly positions** in the Community is also banned. In the coal and steel industries, mergers need prior authorization, and the Commission has proposed this for all large-scale mergers.

The Community treaties require State monopolies to avoid national discrimination, and the Commission has in particular called for them to give up exclusive import rights. One result is that the French and Italian State tobacco monopolies now buy and sell cigarettes, cigars, and tobacco from other Community countries.

Increased Trade

How the Community of the Six increased its trade
Intra-Community Trade 1958-72
(volume index 1963 = 100)

1958	43
1959	54
1960	66
1961	76
1962	86
1963	100
1964	113
1965	127
1966	141
1967	149
1968	178
1969	218
1970	245
1971	281
1972	330

The Community's External Trade 1958-72
(volume index 1963 = 100)

Imports		Exports	
1958	61	1958	74
1959	61	1959	71
1960	77	1960	93
1961	82	1961	95
1962	91	1962	96
1963	100	1963	100
1964	107	1964	109
1965	112	1965	121
1966	120	1966	131
1967	121	1967	141
1968	135	1968	160
1969	152	1969	172
1970	184	1970	188
1971	185	1971	202
1972	208	1972	243

As barriers have fallen, trade has risen. From 1958 to 1972, the six original members of the Community increased their trade with each other by 724%, from £3,536 million to £29,120 million. In 1958, they did 27% of their total trade with each other; in 1972, 52%.

This increase was not at the expense of the rest of the world. Between 1958 and 1972, the Community's imports from other countries rose by 225%, and its

exports by 256%. In 1973, the first year of the 9-member Community, its imports from the rest of the world totalled £93,478,356 million, and its exports £91,739,143 million.

United Kingdom trade with the other Community countries has increased since Britain joined, and although it is in deficit the deficit with other Community countries is decreasing in relative terms, i.e. compared with that in UK trade with the rest of the world.

Exchange controls

For goods to be traded freely throughout the Community, current payments must be freed from national restrictions. For the Community to fulfil its economic and human potential, investment capital must be allowed to move to where it is most productive and/or most needed.

The six original member States removed restrictions from many capital movements within the Community in 1960 and 1962. Denmark did so on January 1, 1973, with the exception of non-resident purchases of kroner bonds (deferred until 1975) and resident purchases of foreign securities and non-resident purchases of Danish securities denominated in other currencies (both deferred until 1978).

On January 1, 1973 the United Kingdom and Ireland liberalized capital transfers by migrant workers. By January 1, 1975 they are to liberalize residents' purchase and sale of direct investments in other Community

countries, and by July 1, 1975, personal transfers by emigrants and gifts, endowments, succession duties, and real estate investments. By 1978, both countries are to adopt those liberalization measures in force among the other member States.

International monetary instability has recently obliged several member States to take defensive action, which is provided for in the treaties, under Community supervision. The full liberalization of money movements will only be possible when there is far greater co-ordination and convergence among the economies of the member States.

Free movement for people

For the Community to be a human reality, its citizens must be at least as free to travel as money and goods.

Since 1969, nationals of the six original member States of the Community, and since January 1, 1973 nationals of the three new members, have been able to go to any other member country to look for and accept a job (except in Government service). They need no work permits, but only a passport or identity card: on taking a job, both they and their families get residence permits. Their salaries or wages, working conditions, training opportunities, social security, union rights, and access to housing and property must be on equal terms with nationals of the host country. If they move from one Community country to another, they and their families can retain their social security rights. About 1,750,000 Community citizens work in Community countries other than their own, as compared with 4,500,000 immigrants from outside the Community.

With the national employment services, the Community runs a European Co-ordination Office to match job offers with applications.

Individuals and companies are also to be allowed to do business, offer services, or practise a profession anywhere in the Community. So far, about 40 directives have removed national restrictions on wholesale and retail trade, film production, cinema exhibition, real estate, reinsurance, mining, gas and electricity production, and some aspects of farming and forestry. From 1975 onwards banks will be able to open branches for international banking services throughout the Community on the same footing as those of the host country. A system of Community licences is giving road hauliers more freedom to operate throughout the member countries.

But in many professions, qualifications differ from one country to another. Since efforts to harmonize them meet strong resistance, the Commission is now encouraging national authorities to recognize each others' degrees and diplomas so that Community doctors, lawyers and engineers, for example, may also work in any member country.



Helping change

In the past, workers and firms often bore the brunt of fresh competition and technological change. The founders of the Community foresaw this danger, and provided funds to forestall it.

Help for workers

□ The ECSC Retraining and Settlement Fund

for coal and steel provides free retraining, grants for resettlement, tiding-over allowances of 80–100% of previous wages for those awaiting new jobs, and two-year allowances if necessary to bring wages in the new job up to the previous level. Half the cost is met by the Community, and half by the member State concerned. Between January 1954 and December 1973 they jointly spent or earmarked over £228 million to help more than half a million workers.

During the same period, ECSC loans for industrial and regional development provided 120,000 new jobs, nearly 40,000 of them for miners and steelworkers.

- **The European Social Fund** established under the EEC Treaty and improved in 1972, does the same for workers in other industries, half the cost again being met by the Community and half by the member State concerned. Between September 1960 and December 1973 they jointly spent or earmarked nearly £728 million for more than two million workers. The improved Social Fund can retrain workers before redundancies actually occur.

For Britain

Britain, like other member countries, has benefited from all these funds. By October 1974 she had received:

£79.2 million from the ECSC Fund
 £37.35 million from the European Social Fund
 £119.3 million from the Agricultural Fund
 £68 million from the European Investment Bank.

For farmers

□ The European Agricultural Guidance and Guarantee Fund

mainly covers the cost of support buying export refunds, and subsidies, but its 'Guidance' section assists farm reform. In 1971 the Council earmarked £431.6 million for a programme to encourage modernization, retraining, and better marketing, and to help older farmers to retire. The 1974 budget for the 'Guidance' section of the Fund was £135.5 million.

For firms

The European Investment Bank

with a capital of £1,053 million, helps finance regional development and projects of common interest to several member States; but it also assists firms in modernization and new activities made necessary by the removal of economic barriers within the Community. Since 1958 it has made low-interest loans totalling some £1,902 million, at current exchange rates.

For Ireland

By October 1974, Ireland had received:
 £0.21 million from the ECSC Fund
 £4.09 million from the European Social Fund
 £72.33 million from the Agricultural Fund
 £35.9 million from the European Investment Bank

Building a strong economy

The Community is concerned with more than removing barriers. In a world of growing economic dangers it must make its own economy strong. This means:

- encouraging the best use of resources
- helping to give all its citizens a better life.

Better use of resources

Industry, science and technology

To compete with the world's other industrial powers, the Community is trying to establish what the Heads of State or Government, at their Paris 'summit' meeting in October 1972, called 'a single industrial base'. In December 1973 the Council approved a flexible timetable for action up to 1978. This involves:

- a further attack on technical obstacles to trade.
- maintaining fair and open competition between firms.

In March 1968 the Community took a first step towards more open accounting, and in September 1973 it laid down minimum capital requirements.

- helping industries with special problems, such as shipbuilding, paper, and textiles, to adapt.
- facilitating cross-frontier mergers and the formation of 'European Companies' of continental scale. In May 1973 the Commission set up a Business Co-operation Office to answer inquiries about joint ventures, mainly from small and medium-sized firms. By June 1974, it had received 1,867 inquiries. It also seeks to encourage the formation of 'European co-operation groups' to share essential services.
- encouraging the development of high-technology industries such as data processing.
- further opening up public works tenders and initiating Community contracts.

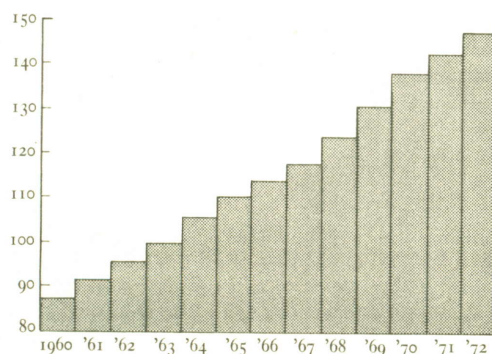
- promoting joint research and development, as the Community already does in coal and steel and the peaceful use of nuclear energy under the ECSC and Euratom treaties. By 1974, the Community had spent £62.4 million on coal and steel research and £535 million on nuclear research, much of it in its own Joint Research Centre facilities at Geel (Belgium), Karlsruhe (Germany), Ispra (Italy), and Petten (Netherlands). In January 1974, the Council accepted the Commission's proposed guidelines for a science and technology programme involving forecasts of long-term research needs, the combination of national research and development, and the establishment of a European Science Foundation for basic research.

To protect the fruits of research, the Community and twelve other European countries in October 1973 signed the European Patents Convention, under which a European Patents Office is due to open in Munich in 1976, giving inventors protection throughout most of Western Europe. The Community further plans to unify national patent laws and establish European trademarks. The Commission has also proposed a European R & D committee to co-ordinate Community projects, and an R & D Agency to carry them out.

Economic development

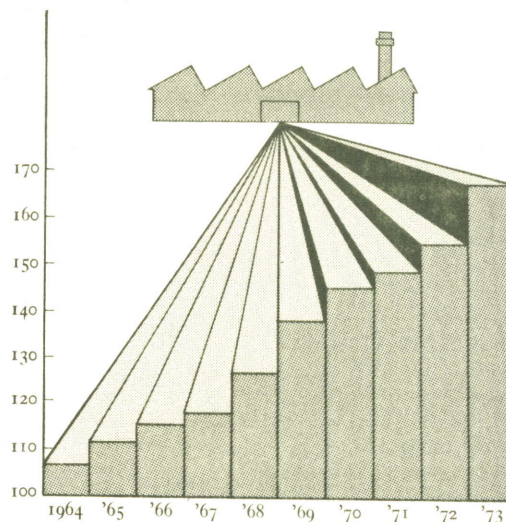
GROWING WEALTH

(GNP volume 1954 prices; indices 1963 = 100)



INDUSTRIAL PRODUCTION

(General indices 1958 = 100)



Agriculture

In a hungry world of rising food prices, a sound agricultural industry is essential. The Community is the world's largest importer of agricultural products. But agriculture is especially vulnerable to chance and change, and almost all Governments try to protect their farmers, by support prices, deficiency payments, selective subsidies, or restraints on imports.

When removing the barriers to trade in farm produce between 1962 and 1971, the Community had to replace conflicting national support systems by a common system aiming at more efficient production, fair returns for farmers, stable markets, the maintenance of world trade and regular supplies at reasonable prices.

This common agricultural policy (CAP) is based on common 'target prices', set each year by the Council on proposals from the Commission. It covers grains, rice, fruit, vegetables, plants, flowers, flax, hemp, hops, tobacco, wine, beef and veal, pigmeat, poultry, fish, eggs, milk products, and oils and fats. The main exceptions are mutton, lamb, and potatoes. The three new member States are due to apply the system fully by 1978.

Farm prices are set in fixed units of account, and since 1969 changes in the parity of member States' currencies have jolted the common price system. If nothing were done about this, farmers in countries whose currencies have been upvalued would get less national cash for their produce, and vice versa. So the Community has had to introduce temporary refunds and levies ('compensatory amounts') in intra-Community farm trade.

To protect Community prices when world prices are below them, the Community also applies variable levies on imports from outside, and gives export refunds to enable its produce to compete on world markets. Should overproduction depress Community prices below an 'intervention price', the Community can buy-in the surplus.

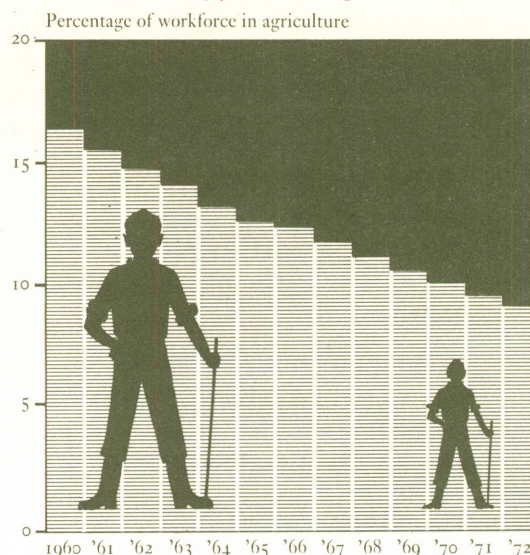
At present, many world prices are above or only a little below Community levels, and some levies have been applied to exports instead of imports, helping to shield Community consumers from the recent world rise in the price of food.

The 'Guarantee' section of the European Agricultural Guidance and Guarantee Fund finances these operations. In 1973 it spent £1,976 million on them. The Commission has proposed improvements to the CAP which could save £520 million by 1978.

Farm reform

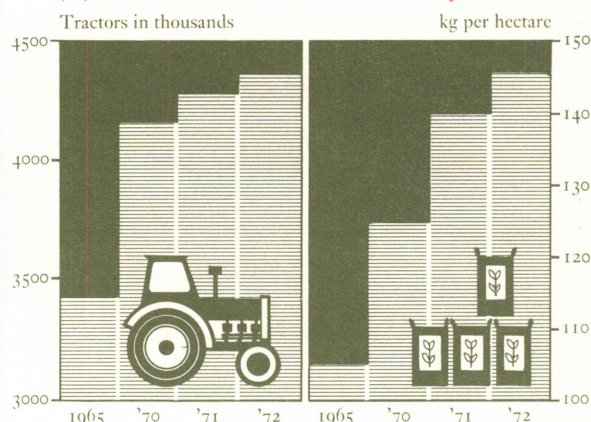
To speed the better use of resources in agriculture, the Council in 1970 agreed to a series of reforms under the 10-year 'Mansholt Plan' for farm modernization. In October 1974, the member states asked the Commission to complete a 'stock-taking' review of the CAP by March 1975 with a view to further reform.

(i) Fewer People



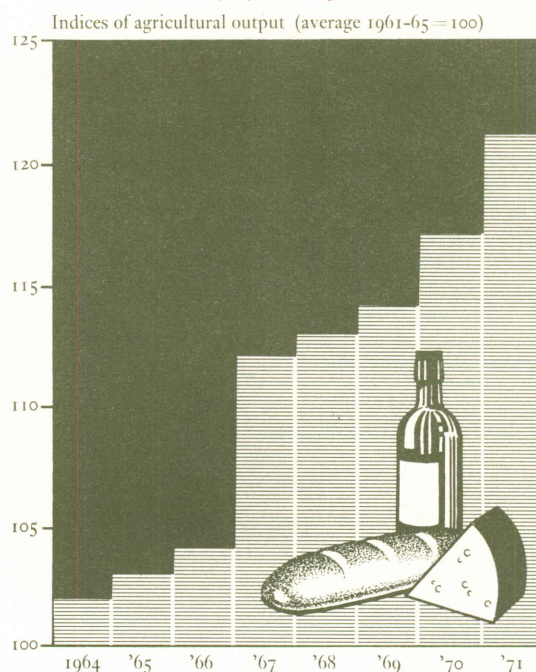
BUT

(ii) More machines AND More fertilizers



MEAN

(iii) More food



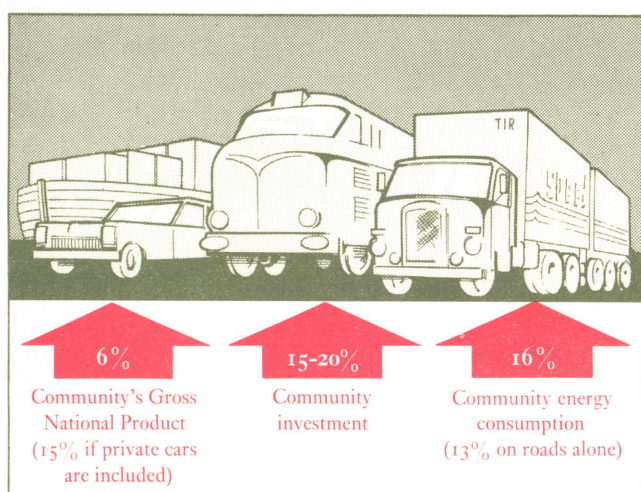
Transport

A well-developed transport system is essential for economic unification. As well as removing the barriers of national discrimination in rates and conditions, the Community must develop a common policy for road, rail, and inland water transport, as required by the EEC Treaty. The Commission has also proposed that this be extended to sea and air.

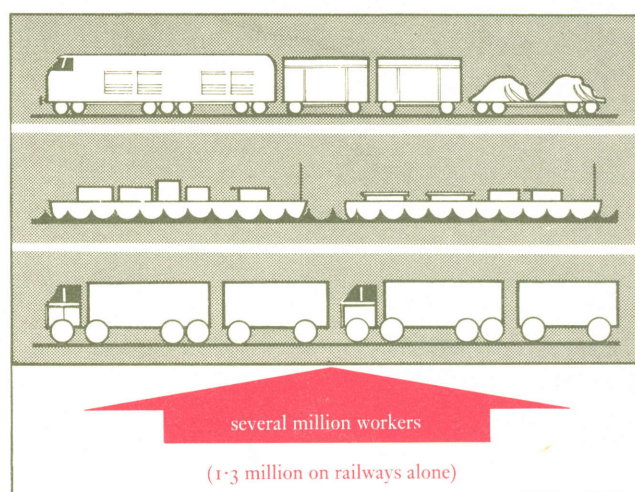
In 1965 the Council agreed on a first set of general guidelines, and in 1968 on specific objectives covering mainly transport by road. In 1971 the Commission made further proposals, in particular for coordinating basic investments and for greater road safety.

But until recently, action has been slow and piecemeal. In October 1973, therefore, the Commission outlined new proposals for a more open and comprehensive policy, including a Community transport network, requiring substantial and co-ordinated public investment, to meet the needs of greatly increased trade and travel. Among other things, it proposes that road traffic, like the railway organizations, share in the cost of building the routes on which it travels. This, the Commission believes, would help relieve urban congestion and improve the use of land.

Transport's growing role



(i) Transport involves ...



(ii) Transport employs ...

Transport involves: 6% of the Community's Gross National Product
(15% if private cars are included)
15-20% of Community investment
16% of Community energy consumption
(13% on the roads alone)

Transport employs several million workers (1.3 million on the railways alone).

Between 1963 and 1970, the volume of goods traded among the six original members of the Community rose by 42%, and the number of cars on the Community's roads doubled. But except for air traffic, up by 160%,

public passenger transport hardly increased at all.

In 1971 the railways of the original six had a deficit of £728,000, ten times that in 1960.

Energy

The Community depends heavily on energy. In 1973 it used the equivalent of over 1,000 million tons of oil. Sixty-three per cent of this had to be imported, as compared with 9% in the USA. The 1973-4 oil crisis showed the danger of over-reliance on outside sources, and the urgent need for Community and international action.

The quest for a Community energy policy was hindered at first by the division of responsibility between coal (ECSC), nuclear energy (Euratom), and other energy sources (EEC).

E. C. S. C.

The Community first tackled the problems of coal. By the mid-1950s the coal industry had begun to lose the competitive battle with oil and natural gas. The ECSC's task was therefore to reorganize production, recommending the closure of uneconomic pits and modernizing others, and helping retrain and resettle displaced miners. (See 'Helping Change', p. 16.)

Euratom

The rise in energy consumption and the growing cost of imports had meanwhile spurred the creation of Euratom, in particular to pool research and development, not only for power production, but also for radioisotopes used in industry, agriculture, and medicine. Euratom's 5-year research programme (1958-62) was for £111.8 million, its second (1963-7) for £237.1 million. After national disagreements and a series of tide-over measures, a third programme, for 4 years only, was launched in 1973 for £83.2 million. This new programme shifts the emphasis from reactor technology towards public service research, including safety and the environment. Euratom research is carried out both in the Joint Research Centre establishments (see 'Industry, science, and technology', p. 17) and under contract in national research institutes, as well as in collaboration with wider international bodies such as the European Nuclear Energy Agency (ENEA). Euratom worked in the ENEA's

'Dragon' project (a high-temperature gas-cooled reactor prototype) at Winfrith, England, even before the UK joined the Community.

By 1974 there were 56 nuclear reactors in the Community, with a total capacity of 11.5 million kilowatts.

A joint approach

In November 1969, two years after the ECSC High Authority and the Euratom and EEC Commissions had been replaced by the single joint Commission, the Council approved some first basic guidelines for energy policy, and member States agreed to inform the Commission of stocks and imports, and of oil company investments.

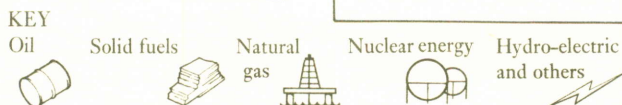
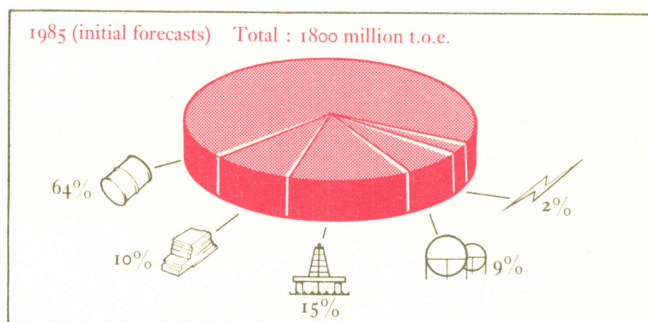
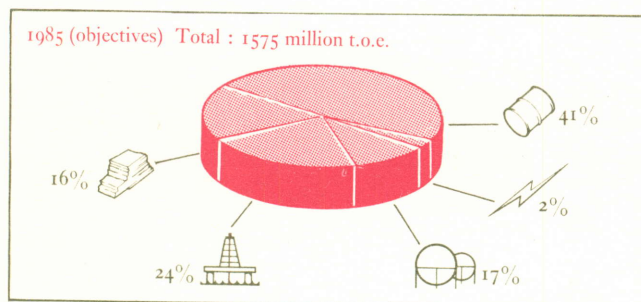
The oil crisis

But the continued shift from coal to oil, and contrasting national resources and policies, made progress halting. During the oil crisis of winter 1973-4, the Community's member States at first reverted to national measures, and only slowly reached agreement on a joint approach to overseas oil producers.

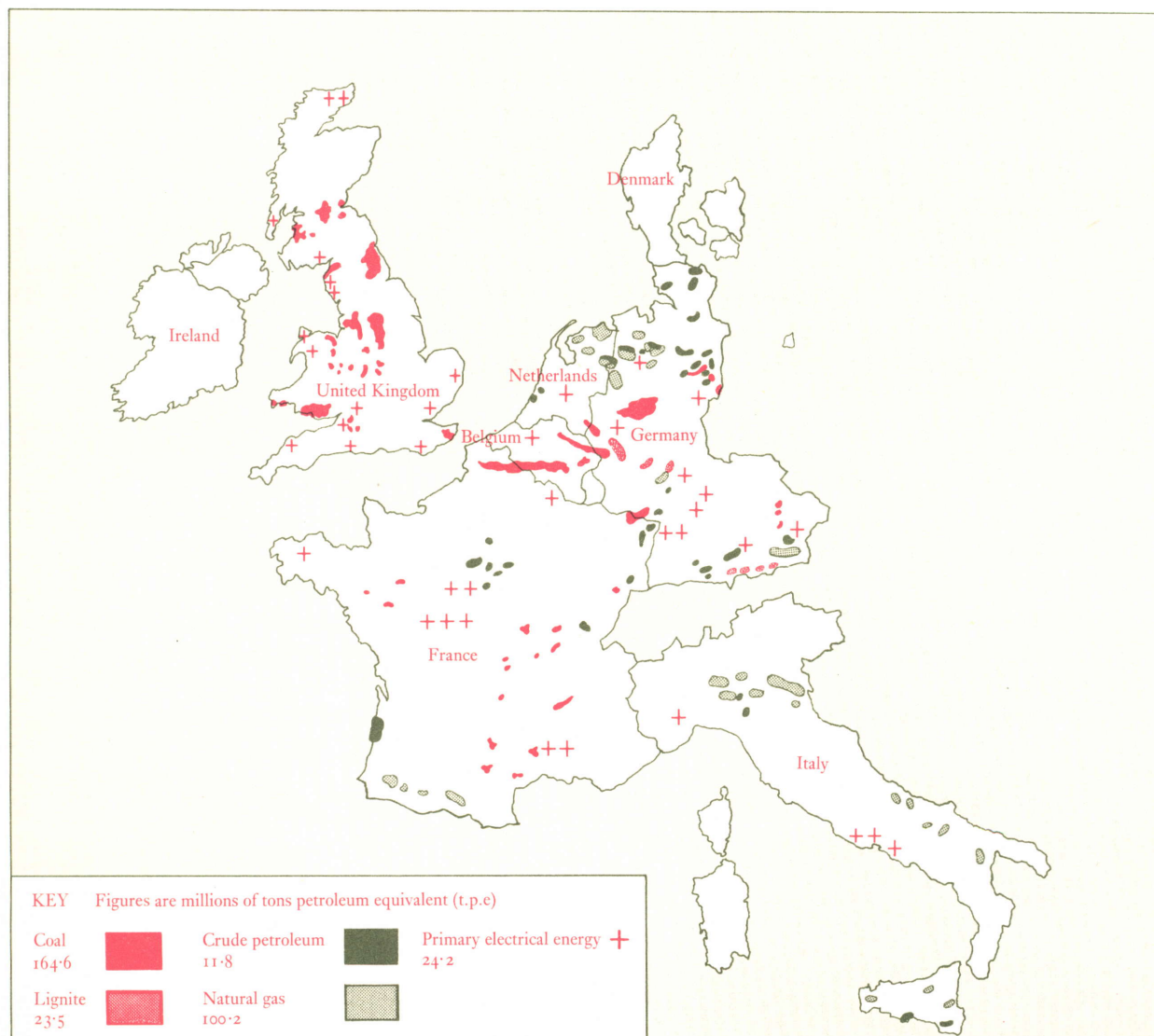
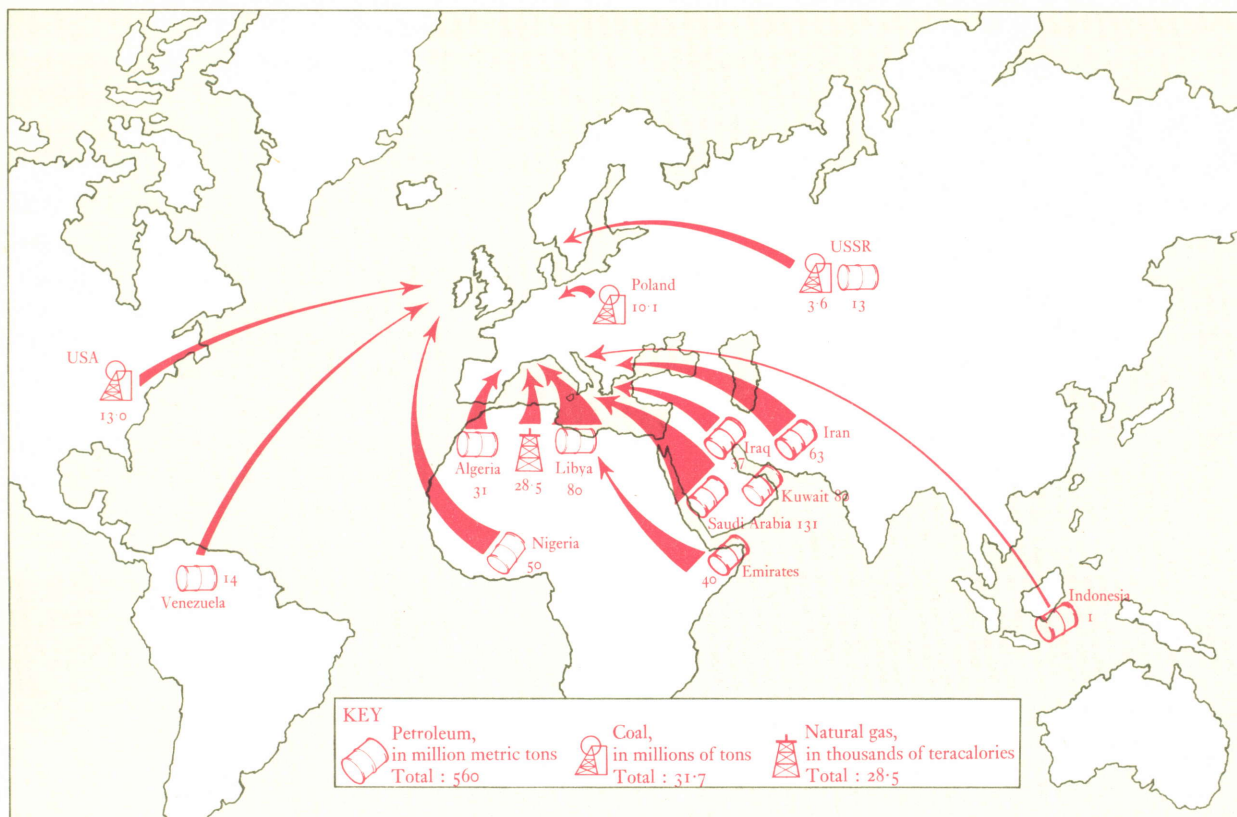
In June 1974 the Commission put forward a new plan to meet the growing energy problem and the greatly increased price of oil. It proposed for 1985:

- to use energy more efficiently and cut consumption by 10%
- to limit energy imports to 40% of needs, as against 63% in 1973
- to limit oil to 40% of needs, as against 60% in 1973
- to limit outside oil supplies to 75% of needs, as against 98% in 1973
- to increase the role of electricity in consumption to 35%, against 25% in 1972
- to produce 50% of electricity supplies from nuclear power
- at least to maintain the present level of coal output, and increase imports so that coal can cover 15% of energy needs as against 23% in 1973
- to raise the share of natural gas to 25% from 2% in 1973, at least doubling Community production and increasing imports, but discouraging the use of natural gas in power stations.

Energy 1985



Energy imports 1973



Monetary policy

Linked more and more by growing trade and cross-frontier investment, the member States' economies increasingly affect each other. The EEC Treaty commits the Community countries to economic policy consultation: but persistent differences, together with speculative movements of 'hot money', led in 1969 to the first of a series of currency crises, and made clear the need for joint action on both economic and monetary policy.

At the Hague 'summit' meeting in December 1969, the Heads of State or Government acknowledged this need. In February 1970 the Community started a £1,040-million reserves pool to give short-term (2-3 month) monetary aid to any member State in difficulties. In March 1971, acting partly on Commission proposals and partly on the 'Werner Plan' proposed by an expert committee under Luxembourg Premier Pierre Werner, the Community decided to work towards economic and monetary union by 1980.

The first (1971-3) of three stages towards this goal was to include:

- narrowing the margin of exchange-rate fluctuation between Community currencies:
- setting up a further £1,040-million reserves pool, this time for medium-term (2-5 year) support.

In April 1972, the Community and the prospective member countries narrowed their national exchange-rate margins to 2.25% ('the snake') around the central rate,

as compared with the world margin of 4.5% ('the tunnel' in which the snake moved). In April 1973, a European Monetary Co-operation Fund was set up in Luxembourg.

But Britain and Ireland floated their currencies outside the snake in June 1972, followed in February 1973 by Italy and in January 1974 by France. The 'snake' of jointly floating Community currencies now comprised only Belgium, Denmark, Germany, Luxembourg and the Netherlands.

While the Community strengthened its efforts to co-ordinate economic and monetary policies, particularly in the Economic Policy Committee which in February 1974 replaced three separate policy committees, monetary union remains hard to achieve without greater convergence between the member States' economies, including their rates of growth and inflation. The Commission is studying new approaches, including the possibility of a 'Europa' currency for central bank transactions alongside national currencies.

Recycling 'Petro-dollars'

On October 21, 1974 the Finance ministers of the Nine agreed to launch an initial \$3,000-million (£1,250-million) Community loan to assist member States in Balance-of-payments difficulties and help recycle the 'petro-dollars' accumulating with the petroleum-producing countries since the quadrupling of the price of oil.

Units of Account

The Unit of Account (u.a.) is the European Communities' standard accounting measure. Introduced in order to simplify budgetary and statistical calculations, the u.a. was fixed at the value of one U.S. \$, before its 1971 devaluation, or 0.88867088 gram of fine gold. Unfortunately, floating exchange rates complicated matters to such an extent that the value of the u.a. in terms of £ sterling now varies according to its use, viz:

- For statistical purposes and for payments into and out of the Community budget the u.a. is fixed at £2.40 to the pound.
- For calculating the price of farm products in the CAP an exchange rate of 2.0053* is used. This is the so-called 'green pound' and its value is from time to time adjusted by the Council of Ministers.
- The European Investment Bank grants loans in u.a. and then converts this into £'s using a monthly adjusted exchange rate, roughly equivalent to what would be the current commercial rate. This* is now 1.90.

* As of end-October 1974.



A Better life

The Community's essential objective, as laid down by the Rome Treaty, is the constant improvement of its peoples' living and working conditions. This includes:

raising living standards
developing poorer regions
promoting employment and welfare

furthering vocational training and general education
protecting consumers
improving the environment.

Higher living standards

Economic growth in the European Community of the Six already raised material standards of living:

	GNP PER HEAD ¹		REAL WAGES ²
	1958	1972	% increase 1958-72
Belgium	1,154	3,351	93%
France	1,196	3,489	109%
Germany	1,096	3,840	79%
Italy	612	2,008	121%
Luxembourg	1,402	(3,255)	75%
Netherlands	845	3,193	106%

SOURCE: EEC. ¹ \$ per year at market prices. ² Increase of gross hourly earnings of workers in industry October/October, in real terms. ³ Manufacturing industries: September.

The recent steep rises in world commodity and energy prices make comparable growth unlikely in the near future. But the Community's continued commitment to removing economic barriers between its member States,

and the major industrialized countries' pledge to avoid increasing protectionism, are some guarantee against a return to beggar-my-neighbour policies.

Regional development

Left to itself, economic growth can be patchy, wasteful, and unfair. Regions with natural or other assets may attract investment but may at length be congested: declining or neglected areas grow less attractive as manpower leaves and facilities decay. All the Community's member States intervene with regional aid to redress the balance. To make sure it goes where need is greatest, they have limited payments in the Community's developed areas to 20% of the total project cost.

The Community itself is a further source of regional aid. Since 1954, under ECSC provisions, it has helped to provide more than 110,000 new jobs and resettle half a million coalminers and steelworkers. The European Social Fund has provided £137.8 million for other projects, including help for textiles, shipbuilding, and the Italian sulphur miners, and by 1974 a further £485.2 million has been earmarked from the 'Guidance' section of the European Agricultural Fund. The European

Investment Bank has provided for regional development, including roads, ports, and telecommunications, about £988 million, or about 75% of its loans, which themselves supply about 25% of total investments.

Despite national and Community efforts, big gaps remain. Income per head in the Community's richest areas is still five times that in the poorest. So at their Paris 'summit' meeting in October 1972, the Heads of State or Government decided to set up a Community Regional Development Fund. The Commission initially proposed that it spend £1,170 million over three years in areas of low income, high unemployment, high net emigration, or heavy dependence for jobs on either agriculture or declining industries.

At the Copenhagen 'summit' meeting in December 1973, the Heads of State or Government set member States the deadline of 31 December 1973 to agree on the size, income, and rules of the Fund. But disagreements continued, and new proposals are on the way.

Employment and welfare

As well as removing barriers to the free movement of people and ensuring that workers do not bear the brunt of change (see pages 15 and 16), the Community in December 1973 agreed on a 3-year programme to improve employment and welfare. Priority targets include:

- a 40-hour working week by 1975
- 4 weeks annual paid holiday by 1976
- protection against mass dismissals and the effects of mergers
- faster progress towards equal pay for men and women
- more help for migrant, elderly and handicapped workers, and for school leavers
- action to face recent price rises, including energy costs.

Jobs

By 1974, in addition to the £1,524 million loaned by the European Investment Bank for regional and other development, the Community had spent, loaned, or earmarked over £1,300 million to prevent unemployment, by industrial reconstruction and the resettlement of more than two million workers. Since 1973, Britain has shared in these funds. (See page 16.)

In June 1970 the Community set up a Standing Committee on Employment, on which labour is represented, to help co-ordinate national employment policies.

Health and Safety

The Community has helped to improve health and safety standards both by legislation and by research. Research it has commissioned or aided covers many fields, including pneumoconiosis, excessive noise, nuclear

radiation and waste disposal, mine safety, and industrial accidents. In the coal and steel industries alone, in each of which it has set up a Safety and Health Commission, it has spent more than £20.8 million.

Housing

By 1974 the Commission had paid more than £79 million towards 125,501 houses for coal and steel workers, of which 116,479 had been completed at a total cost of £674 million.

Trade Unions

European trade unions have adapted their organization in response to the Community's existence. In February 1973, seventeen European unions which are members of the International Confederation of Free Trade Unions (predominantly Socialist) set up the European Trade Union Confederation (ETUC), now representing 37 million workers in 15 countries. The Italian Confederazione Generale Italiana del Lavoro (CGIL), predominantly Communist and previously suspicious of the Community, has joined ETUC, and the similar French Confédération Générale du Travail (CGT) may do likewise.

The World Confederation of Labour (predominantly Catholic and Protestant) has a European office to deal with Community affairs.

Both directly and through the Economic and Social Committee and other Community bodies, the Commission consults trade unions and employers' organizations at every stage of its work.

In its draft for a European Company law, the Commission has proposed workers' participation in management through two-tier boards.



Vocational training and education

In addition to the Community's retraining and re-settlement programme, it seeks to improve vocational training standards and methods, especially for migrant and handicapped workers and in special regions or sectors, including agriculture and road transport. A European Vocational Training Centre is due in 1974.

To facilitate the free movement of professional workers such as doctors, the Commission is working to promote the mutual recognition of professional qualifications (see p. 15).

But education for a multilingual Community in a fast-changing world needs broader horizons. Without wishing to harmonize the structure or content of national education, the Commission is studying how a European educational policy might help, for instance by encouraging permanent education, language teaching, and European

studies, for which the Commission already offers a limited number of postgraduate scholarships.

One successful experiment has been the establishment in Luxembourg, Brussels, Ispra, Geel, Petten, and Karlsruhe of six 'European schools'. Here the children of Community employees and some others receive an at least bilingual 'European' education, with a curriculum designed to remove national bias from such subjects as history and geography.

A Convention setting up in Florence a postgraduate European University Institute is in process of ratification. The Institute is to be headed by Max Kohnstamm, a long-time associate of Jean Monnet and former Secretary-General of the ECSC High Authority who is also President of the European Community Institute for University Studies, a private research body.

Consumer protection

The removal of trade barriers within the Community, including the ban on cartel practices and the gradual reduction of red tape, is giving consumers a bigger choice of food and other products at more competitive prices. But it has increased the need for consumer information, protection, and representation.

In the autumn of 1973 the Commission set up a 25-member Consumers' Consultative Committee, with experts and representatives from European consumer associations, family associations, consumer co-operatives, and trade unions.

In December 1973, with advice from this Committee, the Commission proposed a preliminary 3-year action aimed at:

- tightening health and safety standards, particularly for foodstuffs, including rules on pesticides and products with toxic content;
- banning unfair and misleading sales practices, such as supplying unsolicited goods, deceitful advertising, or unfair contracts;
- increasing consumer protection in hire-purchase or credit agreements, for example, by compelling disclosure of true interest rates;
- laying the basis for a complaint, advice, and redress system;
- improving informative labelling.

The environment

The Community's long-standing work on health and safety, including nuclear safeguards, has already brought some environmental benefit. But the Commission is anxious to go further. In July 1973, on its proposal, the member States agreed to a programme based on the three principles of prevention, action at the appropriate level, and 'the polluter pays'. The aims are:

- to prevent, reduce and eliminate pollution where possible;
- to maintain the ecological balance and protect the biosphere;
- to tap natural resources without unnecessary ecological harm;
- to persuade policy-makers to consider the environment when shaping other plans.

The Commission is proposing first steps to deal with the lead content of petrol, the sulphur content of gas oil, the quality of drinking water, and the elimination of waste oils. It has also proposed a European Foundation for the Improvement of Living and Working Conditions, and is sponsoring research into the environmental effects of energy production, a data bank on environmental chemicals, lead pollution, air and water pollution, and the health effect of micropollutants. This will involve a study of children's chest complaints.

In June 1974 a 13-member Scientific Committee on Human Foodstuffs met for the first time, to examine among other questions the effects of mercury and colza oil.

The Community & the World

A civilian power

As a leading industrial power and the world's largest trader, the European Community has international responsibilities. Its founding Treaties pledge it to promote world trade, world development, and world-peace.

All the Community's member States are in the United Nations, the International Monetary Fund (IMF), the General Agreement on Tariffs and Trade (GATT), the Organization for Economic Co-operation and Development (OECD), and the Council of Europe.

98 countries have diplomatic representatives accredited to the Community, which has its own delegations in the United States, Latin America, Japan, the OECD in Paris, and international organizations based in Geneva, such as GATT. It maintains close links with many other

international bodies concerned with aspects of its work.

In international negotiations, the member States seek to develop common positions, as they have in the (East-West) Conference on Security and Co-operation in Europe (CSCE). In most economic negotiations, the Community acts as a unit, with the Commission as its negotiator, working on a mandate from the Council. Since January 1, 1973 non-member countries seeking trade agreements with the Community must negotiate with it rather than with individual member States.

The Community's outer tariff

The common external tariff, originally based on the arithmetical average of the member States' tariffs, was reduced by 35-40% by the 1964-7 'Kennedy Round' of negotiations in GATT. Its average level is now 6.0%, as against the United States' 7.1% and Japan's 9.7%.

The three new member States are to align their tariffs on the common level by July 1, 1977 (see p. 12).

In May 1974 the Community agreed on tariff adjust-

ments to offset the Community's enlargement.

A new round of GATT negotiations is to make further cuts in the Community's and its trading partners' tariffs. The Community aims to link these with more opportunities for less-developed countries and progress towards a fair and lasting international monetary system. It also seeks liberal agreements for farm products and a reduction in non-tariff barriers.

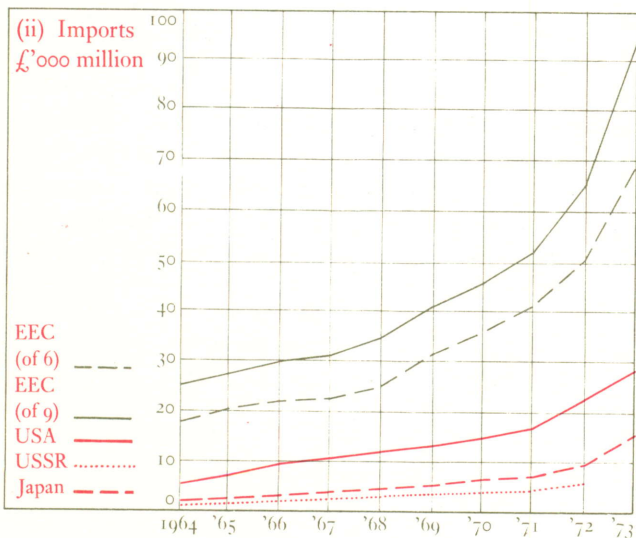
Foreign trade policy

The Community has a common policy for external trade including a liberalization list of over 900 products that can be imported freely, a common procedure for quotas, a joint anti-dumping policy, an agreed definition of the origin of goods, and a uniform valuation of imports for customs purposes. Other agreed rules cover goods in transit, storage in bonded warehouses, and temporary

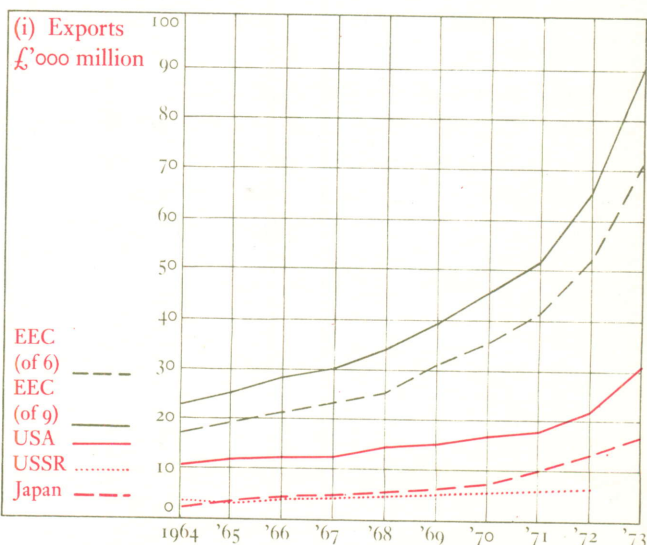
imports for processing. There are harmonized rules for importing farm products not covered by the common agricultural policy, and the Community is harmonizing policy on export credits and guarantees for investments in non-member countries. Common rules also apply to trade with China, the Soviet Union, and state-trading countries in Eastern Europe.

The Community in world trade

IMPORTS



EXPORTS



The Community in Western Europe

The European Community remains open to any democratic European country that is able and willing to join it. With those that are not, it seeks close relations.

Greece and Turkey

In 1961 and 1963 the Community signed Association Agreements (see below) with Greece and Turkey respectively. Each provided for the gradual establishment of a customs union as a preparation for possible Community membership. That with Greece was to be established over 12 years, with extension to 22 for certain products, that with Turkey over a 12–22-year period to begin 5 years after the agreement came into force. To Greece the Community promised £65 million in loans for 1962–7; to Turkey, it loaned £91 million.

Between 1967 and 1974 the Community ‘froze’ its agreement with Greece in response to the military overthrow of the Greek Government. By 1967 Greece had received some £36 million.

Yugoslavia

On March 19, 1970 the Community signed a 3-year non-preferential trade agreement with Yugoslavia. A new agreement, for 5 years, was signed on June 26, 1973. The aims include economic co-operation and special Community treatment for Yugoslav baby-beef exports.

Spain

On June 29, 1970 the Community signed a 6-year preferential trade agreement with Spain, with a view to an eventual free trade.

The European Free Trade Association (EFTA)

The Community was anxious to prevent tariffs having to be raised between those members of EFTA that were joining the Community in 1973 – Denmark and the UK – and those members or associates that were not – Austria, Finland, Iceland, Norway, Portugal, Sweden, and Switzerland. It therefore concluded industrial free trade agreements with each of the latter, and is planning to make similar arrangements for imports from the Faroe Islands which, although a Danish dependency, have decided not to take up full membership of the Community.

By 1977, under these agreements, largely in step with the Community’s internal tariff cuts (see p. 12), some 300 million people will benefit from free trade in industrial products throughout 16 nations in Western Europe.

Community agreements

COUNTRY	AGREEMENT	IN FORCE	DURATION	APPLICABILITY TO NEW MEMBER STATES
Greece	Association	November 1, 1962 but since April 1967 confined to routine business	Unlimited	Protocol being negotiated
Turkey	Association	December 1, 1964	Unlimited	Protocol being ratified; its trade provisions took effect on January 1, 1974
Yugoslavia	Non-preferential trade agreement	October 1, 1970	3 years	Replaced before expiry
Yugoslavia	Non-preferential trade agreement	September 1, 1973	5 years	Applies to enlarged Community
Spain	Preferential trade agreement	October 1, 1970	6 years (minimum)	After January 1, 1974
EFTA countries				
Austria	Industrial free trade	January 1, 1973	Unlimited	Applies to enlarged Community
Finland	Industrial free trade	January 1, 1974	Unlimited	Applies to enlarged Community
Iceland	Industrial free trade (longer transition period)	April 1, 1973	Unlimited	Applies to enlarged Community
Norway	Industrial free trade	July 1, 1973	Unlimited	Applies to enlarged Community
Portugal	Industrial free trade (longer transition period)	January 1, 1973	Unlimited	Applies to enlarged Community
Sweden	Industrial free trade	January 1, 1973	Unlimited	Applies to enlarged Community
Switzerland	Industrial free trade	January 1, 1973	Unlimited	Applies to enlarged Community

The Community and the Third World

The enlargement of the Community has given new dimensions to its policy towards less developed countries.

Even before Denmark, Ireland, and the United Kingdom joined the Community, it was the world's second biggest importer of goods from the less developed countries, buying more from them than it sold to them.

Between 1958 and 1972 its imports from the Third World nearly quadrupled, from \$5,500 million worth to \$20,600 million, while those of the UK scarcely doubled from \$3,600 million to \$5,900 million.

Today, the enlarged Community's imports from the Third World are about twice those of the United States.

At their Paris 'summit' meeting in October 1972, the Heads of State or Government of the enlarged Com-

Generalized preferences

On July 1, 1971 the Community was the first to adopt the generalized system of preferences (GSP), as proposed by the United Nations Conference on Trade and Development (UNCTAD), to admit duty-free imports of manufactured products from the less developed countries.

Duty-free imports under the GSP system are limited by a 'ceiling' fixed annually for each product, based on the 1971 value of imports, plus 5% of the value of imports from other countries. 'Ceilings' may not be lowered, but are progressively being raised, from £177 million in 1971 to £406 million in 1972 and £468 million in 1973.

The Community's total 1973 programme, including textiles, covered imports worth about £780 million. In 1974 it was increased to cover goods worth £1,300 million from 104 less-developed countries: the Community also suspended or cut its duties on some pro-

cessed farm goods, and is to cut from 60 to 51 (and later to 16) the products subject to 'ceilings'.

- a generalized system of preferences
- financial aid
- food aid
- trade agreements with countries in Africa, Asia, Latin America, the Mediterranean and the Middle East
- association arrangements for countries in Africa, the Caribbean, and the Indian and Pacific Oceans.

cessed farm goods, and is to cut from 60 to 51 (and later to 16) the products subject to 'ceilings'.

The Community introduced its new programme partly to help Asian Commonwealth countries (India, Pakistan, Bangladesh, Sri Lanka, Malaysia, and Singapore) which would otherwise have faced higher customs duties in the UK when the three new member States began to adopt the Community's common outer tariff on January 1, 1974. On this date, Denmark and the UK joined the Community GSP system. Ireland is to join it by 1976.

For 1975, the Commission has proposed that generalized preferences be further extended to cover trade worth some £1,560 million, including shoes from Hong Kong. Because some less developed countries are still not taking advantage of the system, the Community is organizing on-the-spot seminars to explain it.

Financial aid

The Community and its member States are the world's biggest source of official aid for the less developed countries. In 1972 they supplied \$4,070.2 million, or 43% of

the total. The bulk of Europe's aid comes from the individual States: but the Community also operates joint aid programmes (see p. 30-31).

	NET OFFICIAL AID (\$ million 1972) (not counting private investment)	NET CAPITAL FLOW AS % OF GNP (* = provisional)	%
		OFFICIAL AID	TOTAL FLOW
Belgium	234.8	0.51	1.04
Denmark	130.4	0.47	0.70
France	1,485.8	0.58	1.18
Germany	1,102.0	0.32	0.52
Italy	192.0	0.14	0.42
Netherlands	322.1	0.54	1.55
United Kingdom	603.1	0.35	0.76
COMMUNITY TOTAL	4,070.2	0.39	0.77
JAPAN	1,011.0	0.25	1.42
UNITED STATES	2,968.0	0.23*	0.58
TOTAL DAC COUNTRIES	9,415.3	(0.30)*	(0.78)*

SOURCE: OECD, Development Assistance Committee (DAC), of which Ireland and Luxembourg are not members.

As their target figure for official aid, the Community's member States have now agreed on the UNCTAD proposal of 0.7% of GNP. The Community has agreed

to provide one-sixth of a UN fund to help less-developed countries especially hard hit by oil and other raw material price rises.

Food aid

The less-developed countries now face the most serious world food crisis for thirty years. Despite the 'green revolution', their agricultural output still lags behind their rapidly growing population. Recent events, including floods, recurrent drought, harvest failures, cutbacks in stocks, inflation and speculation, the energy crisis, and the shortage and cost of fertilizers, have made matters even worse.

Since 1968 the Community has taken part in food aid (cereals) programmes negotiated in GATT. It is independently supplying powdered milk, butter oil, sugar, and dried eggs, some of it through the World Food Programme and the United Nations Relief and Work Organization (UNRWA) for Palestinian refugees. It has put through emergency programmes to fight famine and natural disasters, and is working on a new plan to combat the world food crisis.

GATT grain programmes

Under a first 3-year project, the Community and its individual member States agreed to supply an annual 1,035,000 tonnes of grain to the less-developed countries. A second 3-year plan was launched in 1971.

Trade agreements

For the year 1973-4, the Community's total commitment was for 1,287,000 tonnes of grain, 45% of it supplied through Community machinery, and 55% by individual member States.

By 1974, 1,869,440 tonnes of grain had been supplied through central Community machinery, nearly half of it to Asia and the Far East.

Emergency relief

During 1973 the Community delivered and in some cases distributed 313,000 tonnes of cereals and 16,000 tonnes of skimmed milk powder, mainly to Bangladesh and the drought-stricken Sahel countries south of the Sahara. It is also helping victims of drought in Ethiopia, flood in Pakistan and Honduras, and war in Cyprus.

New proposals

In March 1974 the Commission proposed greater efforts to stabilize world food markets, more financial aid to Third World agriculture, and a further three-year (1974-7) programme of food aid, including a maximum target of 2,500,000 tonnes of grain, ideally to be channelled through the Community rather than the member States.

Community trade agreements

COUNTRY	AGREEMENT	IN FORCE	DURATION	APPLICABILITY TO NEW MEMBER STATES
Asia				
Bangladesh	On jute products (last year of former 3-year agreement with Pakistan)	January 1, 1973	1 year	New agreement in negotiation with enlarged Community
India	On handwoven silk and cotton fabrics	July 1, 1968	Unlimited	Annual quota doubled on December 28, 1973
India	On coconut products	August 1, 1969	Unlimited	New agreement with enlarged Community signed December 17, 1973
India	On certain handicrafts	September 1, 1969	Unlimited	Annual quota doubled on December 28, 1973
India	On jute products	January 1, 1970	3 years	Extended to December 31, 1973 and new agreement with enlarged Community signed December 17, 1973
India	On cotton textiles	October 1, 1970	3 years	Voluntary restraint ceilings raised, March 1973
India	On general trade co-operation: joint committee set up	April 1, 1974	5 years (renewable)	Negotiated with enlarged Community
Indonesia	On handicrafts	January 1, 1973	Unlimited	Annual quota doubled on December 28, 1973
Pakistan	On handicrafts	September 1, 1969	Unlimited	Annual quota doubled on December 28, 1973
Pakistan	On handwoven silk and cotton fabrics	June 20, 1970	Unlimited	Annual quota doubled on December 28, 1973
Philippines	On handicrafts	January 1, 1973	Unlimited	Annual quota doubled on December 28, 1973
Sri Lanka	On handicrafts	January 1, 1973	Unlimited	Annual quota doubled on December 28, 1973
Thailand	On handicrafts	January 1, 1973	Unlimited	Annual quota doubled on December 28, 1973
Thailand	On handwoven silk and cotton fabrics	January 1, 1973	Unlimited	Annual quota doubled on December 28, 1973

Community Trade agreements (continued)

Latin America				
Argentina	Non-preferential trade agreement	January 1, 1972	3 years	Applicable under Accession Treaty
Brazil	Non-preferential trade agreement	August 1, 1974	3 years	Applicable under Accession Treaty
Uruguay	Non-preferential trade agreement	August 1, 1974	3 years	Applicable under Accession Treaty
Near and Middle East				
Egypt	Preferential trade agreement	November 1, 1973	5 years	Applicable under protocol to agreement
Iran	Preferential trade agreement on handicrafts	November 1, 1963	10 years	Expired November 1973; agreement sought
Israel	Preferential trade agreement	October 1, 1970	5 years	Applicable under protocol of January 30, 1973; new agreement aiming at free trade area being negotiated
Lebanon	Preferential trade agreement	Not yet ratified by Lebanon	5 years	Amending protocol signed November 6, 1973
Lebanon	Trade and technical co-operation agreement	July 1, 1965	Renewable annually	Amending protocol in force July 1, 1973

Jordan, Mexico and Paraguay have begun exploratory talks with the Community, while Canada, Syria and several other countries are also thought to contemplate making Community trade agreements.

Association agreements

Association agreements go beyond trade agreements. They involve reciprocal rights and duties, with institutional machinery for joint action.

Mediterranean

In addition to its agreements with Greece and Turkey (see p. 27) the Community has made or is negotiating association agreements with 5 other Mediterranean

countries. These and other measures will link the Community with 14 countries in or near the Mediterranean basin.

COUNTRY	AGREEMENT	IN FORCE	DURATION	APPLICABILITY TO NEW MEMBER STATES
Cyprus	Five-year move towards customs union to start after July 1, 1977	June 1, 1973	Initially 4 years (to June 30, 1977)	Amending protocol in force June 1, 1973
Malta	Five-year move towards customs union to start after July 1, 1977	April 1971	Initially 5 years (to March 31, 1976)	No amending protocol. Scope of agreement being extended
Morocco	Duty-free entry for Moroccan manufactures, concessions on farm goods	September 1, 1969	5 years	Amending protocol in force December 28, 1973; new agreement being negotiated
Tunisia	Duty-free entry for Tunisian manufacturers, concessions on farm goods	September 1, 1969	5 years	Amending protocol signed February 26, 1973; new agreement being negotiated

Algeria, Morocco and Tunisia are negotiating new association agreements with the Community for an unlimited period.

In 1974, the Community's member States agreed on a joint approach to Arab oil producers with a view to easing the energy crisis.

Africa

The EEC Treaty provided for a 5-year association between the Community and Belgian, Dutch, French, and Italian overseas dependencies, mainly in Africa. When they became independent States, the Community offered to renegotiate association with them as equals.

A first 5-year Association Convention was signed at Yaoundé, in Cameroon, on July 20, 1963, and a second, also at Yaoundé, on July 29, 1969.

The Conventions provide ultimately for free trade areas between the Community and 18 associated States in Africa and Madagascar, but the associates may apply fiscal duties or tariffs to protect their infant industries.

The EEC Treaty set up a European Development Fund of £302.25 million for Community grants to the associates during 1958-63. The First Yaoundé Convention provided £416 million for 1964-9, £322.4 million in grants and the rest in loans. The Second Yaoundé Convention provided £624 million, including £388.96 million in grants. Between 1958 and 1972 the Community also loaned £74 million to the Yaoundé associates through the European Investment Bank.

The institutional machinery of the Yaoundé Association is: an Association *Council* of ministerial and Commission representatives; an Association *Committee* of

officials; a 108-member *Parliamentary Conference*, half from the Community, half from the associates; and an *Arbitration Court*.

Mauritius signed the Yaoundé Convention in May 1972 and joined the other 18 associates on January 1, 1973 – the first Commonwealth country to do so.

Kenya, Tanzania and Uganda signed a separate Association Convention with the Community at Arusha, in Tanzania, on July 26, 1968. Since not all the associates ratified it, it did not come into force, and was renewed on September 24, 1969. At the three associates' request, it provides only for trade, not aid.

COUNTRY		IN FORCE	DURATION	APPLICABILITY TO NEW MEMBER STATES				
Burundi	}							
Cameroon								
Central African Republic								
Chad								
Congo								
Dahomey								
Gabon								
Ivory Coast								
Madagascar					Yaoundé 1	June 1, 1964	5 years	Not applicable after January 31, 1975
Mali					Yaoundé 2	January 1, 1971	4 years	
Mauretania								
Niger								
Rwanda								
Senegal								
Somalia								
Togo								
Upper Volta								
Zaire								
Mauritius	Yaoundé 2	January 1, 1971	4 years	After January 31, 1975				
Kenya	}							
Tanzania								
Uganda					Arusha	January 1, 1971	4 years	After January 31, 1975

Towards a wider association; Africa, Caribbean, Indian and Pacific Oceans:

Under Protocol 22 to the Danish, Irish, and UK Accession Treaty, the Community invited 20 Commonwealth countries in Africa, the Caribbean, and the Pacific to negotiate links with it. In April 1973 it extended this offer to other countries with economies like those of the African associates.

These offers were intended to coincide with the expiry in 1975 of the Second Yaoundé Convention, enabling its signatories to negotiate with the Community at the same time as the Commonwealth and other countries concerned. The Community also agreed that all these countries should be offered the same terms.

Negotiations began on November 21, 1973, between the Community and 43 countries, which became 44 when Grenada joined them in 1974 on attaining independence. Their number is expected to increase to 46 in 1975 with the addition of Equatorial Guinea and Guinea-Bissau. The Commission is negotiating on behalf of the Community, while a single spokesman represents all its future partners. By November 1974 it was hoped that the negotiations might be concluded early in 1975.

The full list of African, Caribbean, and Indian and Pacific Ocean countries negotiating with the Community as at November 30, 1974, was as follows:

Original Yaoundé associate States:

Burundi, Cameroon, Central African Republic, Chad, Congo, Dahomey, Gabon, Ivory Coast, Madagascar,

Mali, Mauretania, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta, Zaire.

Commonwealth States in Africa and the Indian Ocean: Botswana, Gambia, Ghana, Kenya, Lesotho, Malawi, Mauritius, Nigeria, Sierra Leone, Swaziland, Tanzania, Uganda, Zambia.

Commonwealth States in the Caribbean:

Bahamas, Barbados, Grenada, Guyana, Jamaica, Trinidad and Tobago.

Commonwealth States in the Pacific:

Fiji, Tonga, Western Samoa.

Other States: Ethiopia, Guinea, Liberia, Sudan.

The negotiations cover:

- ways of increasing and diversifying the 44 States' exports to the Community, which has proposed free entry except for some farm products. The Commission has stated that the Community will *not* insist on 'reverse preferences' to favour its own exports to the 44.
- financial and technical aid, on which the Commission proposes that both old and new associates each benefit at least as much as old associates did before;
- possible guaranteed revenue for exports of commodities like sugar, copper, bananas, cotton, coffee, and cocoa. On sugar, the Commission has proposed that the Community guarantee to import 1.4 million tons annually and limit its own exports to 800,000 tons.

The Community and the United States

Co-operation and consultation

All postwar US Administrations have supported the unification of Europe and seen the Community as the means to that end. The Community likewise values its common heritage and close ties with the United States, which it seeks to develop in a relationship of equals.

All the Community's member States except Ireland are members of the Atlantic Alliance, whose members have recently reaffirmed the links between them.

All Commission and High Authority Presidents since Jean Monnet have paid official visits to the White House. Twice a year, once in Washington and once in Brussels, members of the Commission and of the US Administration meet to discuss common concerns. Day-to-day matters are dealt with through the US Mission to the Community in Brussels or through the Commission Delegation in Washington, headed by former Danish Prime Minister, Jens Otto Krag.

The Community has a co-operation agreement with the US Atomic Energy Commission for the exchange of scientific information and Euratom purchase of fissile material. In 1973, Euratom purchases amounted to \$52.3 million.

Partners in trade and investment

The European Community and the United States are each other's single biggest trading partners.

The US has always had a trade surplus with the Community, ranging from \$2,589 million with the six-nation Community in 1964 to \$187 million with the Nine in 1972, when US exports to the Nine reached \$11,900 million compared with \$11,700 the other way.

The US has criticized the Community's common agricultural policy; but although different farm products now predominate in US exports to the Community, these have grown faster than US farm exports to the world as a whole. Between 1964 and 1972 they grew by 67%, compared with 55% elsewhere.

The US has also questioned the Community's network of preferential trade agreements with countries in Africa and the Mediterranean. At most, these affect some 2% of US exports - \$950 million in 1971, compared with \$43,000 million to the rest of the world.

Net interest payments on American direct investments in the Community provided a further \$1,000 million a year in the United States' favour. By 1972, the book value of US investment in the Nine was \$23,087 million, compared with \$8,282 million of Community investment in the United States.

Australia, Canada, New Zealand

Australia

Even before the United Kingdom joined the Community, the UK share in Australian exports had dropped from over 25% in 1960 to 12% in 1969-70. By then, a third of Australia's trade was with Asian countries.

More than a third of Australia's exports to the UK, including raw wool, metal ores, and copper, will enter

the enlarged Community duty-free or will benefit from duty-free quotas set in the UK membership negotiations.

UK membership is expected to affect up to 7½% of Australian exports: e.g. dairy products, sugar, fruit, wheat.

Canada

The United States is Canada's biggest trading partner, followed by the UK, Japan and the European Community as a whole. In 1960 one-fifth of Canadian exports went to the UK: by 1970, one-eleventh.

About 45% of Canada's exports to the UK will enter the enlarged Community duty-free or benefit from special terms of access agreed on in the UK membership negotiations. These include woodpulp, newsprint, ply-

wood, phosphorus, lead bullion, alumina, ferro-silicon and refined lead, zinc, and aluminium.

Of Canadian farm products subject to Community import levies, 8% consist of goods such as hard wheat for which the Community produces no complete substitute.

The Community holds regular talks with the Canadian Government, and since 1959 it has had an agreement with Canada on the peaceful uses of nuclear energy.

New Zealand

The UK share in New Zealand exports fell from about 56% in 1958 to about 39% in 1969. But despite New Zealand's efforts to diversify, the UK was still buying 90% of her lamb and butter and 80% of her cheese.

UK imports of New Zealand lamb are unlikely to be affected by Community membership since there is little European supply. But for dairy products the Community agreed on special arrangements. These involve special levy-free imports into the UK of butter and cheese at guaranteed prices, but in quantities to be reduced by 1977 to no less than 71% of the 1973 level, measured in milk content. The levy-free quota for butter is to fall from 165,811 tonnes in 1973 to 138,176 tonnes in 1977;

that for cheese from 68,500 tonnes to 15,240 tonnes.

The butter situation is to be reviewed in 1975, and the Council of the enlarged Community, acting unanimously on a proposal from the Commission, is to determine appropriate measures to maintain the special arrangement. For cheese there is no guarantee after 1977.

Although New Zealand has not filled all its quotas, the UK Government is seeking further concessions for New Zealand trade. There is no limit to the amount of New Zealand produce that can be imported under the Community's normal system. In 1973, the Community's total imports from New Zealand were 57% more than in 1968, and its exports 79% more.

The Community and Japan

The Community does only about 2% of its total trade with Japan, which does some 6% of its trade with the Community. Negotiations to develop trade were adjourned in 1972 over the Community's wish to include safeguard measures in the agreement.

Since the Paris 'summit' meeting of October 1972, when the Community Heads of State or Government called for a 'constructive dialogue' with Japan, regular contacts have taken place.

In 1974 the Commission decided to establish a delegation in Tokyo.

The Community and Latin America

In 1970, in a Declaration at Buenos Aires, the Latin American countries asked the Community to strengthen its trade and financial ties with them, make special arrangements for agricultural trade, increase technical co-operation, and reduce ocean transport costs.

In 1971 the Community and 22 Latin American countries formed the Latin American Co-ordination Committee. The Community maintains offices in Santiago and Montevideo.

The Community has unofficially advised both the Central American Common Market and the Latin American Free Trade Area on the technicalities of economic integration.

In addition to the Community's trade agreements with Argentina, Brazil and Uruguay, Latin American countries share in its generalized preferences system (see p. 28).

Communist countries

Eastern Europe

The Community's trade with Eastern Europe is still only about 7% of its total trade, but is growing:

TRADE WITH COMECON COUNTRIES (£ million)				
	1958		1973	
	The Six	The Six	The Six	The Nine
Community import	532.5	1,939.8	2,600.9	
Community exports	459	2,388.4	2,780.1	

Since January 1973, all trade agreements with East European countries have had to be concluded by the Community as a whole, replacing bilateral national trade agreements when they expire. The Commission has proposed that the various long-term economic co-operation agreements between Community member States and East European countries be co-ordinated.

The Community countries have taken a common position in the Conference on Security and Co-operation in Europe (CSCE).

Except for Yugoslavia (see p. 27), no Communist country has officially recognized the Community. But Bulgaria, Hungary, Poland, and Romania have arranged with the Commission to observe minimum prices for some of their agricultural exports to the Community, obviating import levies. Since January 1972 Romania has asked to join its generalized preferences system.

The USSR has long recognized what Leonid Brezhnev, Secretary-General of the USSR Communist Party, in March 1972 called the Community's 'reality'. In December 1972 he said that relations between it and Eastern Europe's Council for Mutual Economic Assistance (Comecon) were possible. In 1973 Comecon unofficially approached the then President of the Community Council of Ministers, Ivar Nørgaard, to suggest that Comecon and the Community discuss co-operation. The Community has taken note of this *démarche* and the President of the Commission has been invited to Moscow for official contacts.

China

Although all its member States have established diplomatic relations with China, the Community itself has no such formal ties. Chinese spokesmen have indicated support for the Community's aims, and at the Copen-

hagen 'summit' meeting in December 1973 the Heads of State or Government declared that they would strengthen links with China.

Tasks ahead

Progress

The early years of the European Community were in some respects its easiest.

External political dangers were obvious incentives to unity. Internally, the removal of economic barriers – ‘negative integration’ – was largely mapped out by the Community treaties.

Today, the dangers surrounding the enlarged Community are economic rather than political. It faces the twin threats of world inflation combined with a world slump. To combat them, it must be able to defend its

currencies and the jobs of its citizens, but at the same time throw its weight against the ‘beggar-my-neighbour’ policies of the 1920s and 1930s. To this end it must keep the barriers down in Europe and go on pursuing liberal policies in the world.

Increasingly, too, the Community faces the task of ‘positive integration’ – economic policy-making in fields where the founding treaties are less specific. They include:

- consumer protection
- employment and welfare
- energy policy
- the environment
- industry and technology
- monetary policy
- regional policy
- transport
- world trade and development.

To chart these broader areas, the Heads of State or Government of the Community’s member countries now hold periodic ‘summit’ meetings. The Paris ‘summit’ of October 19–20, 1972 in particular set an ambitious series

of goals for the enlarged Community, followed on December 14–15, 1973 by a ‘summit’ in Copenhagen. A further informal ‘summit’ meeting was held in Paris on September 14, 1974.



The Commission in session, 1974. Left to right, at the table: Altiero Spinelli, Sir Christopher Soames, Wilhem Haferkamp, Patrick Hillery, Petrus Lardinois (foreground), Ralf Dahrendorf (background) Finn Gundelach, George Thomson, Claude Cheysson, Henri Simonet, Carlo Scarascia Mugnozza, Albert Borschette (foreground) François-Xavier Ortoli. (background), Emile Noël.

Reform

Policy changes

Areas where changes in the Community's policies and ideas seem especially likely or are already under way include farming, money, and development policy. This process will no doubt be accelerated and extended by the

UK Government's request to 'renegotiate' the terms of membership.

Attention has also focused on the need for improvements in the Community's institutional machinery. This has two aspects: efficiency and democracy.

Towards greater efficiency

Under the EEC Treaty, only major questions of policy and principle require unanimous agreement in the Council. But in January 1966, after the French Government had virtually withdrawn from the Council for seven months, a compromise was reached to avoid majority voting on any issue which a member State regarded as 'very important'. This led to a tacit rule of unanimity on all but minor issues.

Partly, as a result, the Council is slow to reach decisions. Between 1968 and 1973 the Commission submitted

to the Council 1,700 proposals for Regulations or Directives. On 220 of them, the Council had taken no decision by 1 May 1973. At the same date, the Council had before it 24 proposals submitted more than 5 years earlier, and one submitted more than 10 years earlier.

The member States are as anxious as the Commission to avoid unnecessary delay. At the Paris 'summit' meeting, they agreed to study ways of improving the Council's decision-making procedures and the cohesion of Community action. The Council has now taken the first steps to improve its procedures.

Towards greater democracy

Although the Council represents democratically elected Governments, it is not responsible to the European Parliament, as the Commission is. Yet Council Regulations are directly binding, without parliamentary ratification. It has therefore been forcibly argued that the European Parliament should have more power and be directly elected instead of being chosen, as at present, by and from the national Parliaments.

More Power to Parliament

In 1970, the European Parliament's powers were slightly increased, and in 1971 the Commission asked a committee of independent experts, chaired by Professor Georges Vedel, to suggest ways of increasing them further. The committee included Professor John Mitchell and Mr Andrew Shonfield from the UK, and

Professor Mary Robinson from Ireland. Its recommendations included greater financial power and a greater say in Community legislation. Commission proposals on these subjects are now before the Council, and the Parliament is to make its own.

Direct elections

The EEC Treaty provides for the possible direct election of the European Parliament, which drew up proposals for this in 1960. But the Community's member Governments have so far failed to agree on it. A Bill before the Belgian Parliament proposes that Belgian members of the European Parliament be directly elected on a national basis, and similar proposals have been made elsewhere, notably in the 'Stewart Plan' put forward by the Rt Hon. Michael Stewart, former UK Foreign Secretary. The European Parliament is also preparing new proposals.

Towards political union

The European Community's long-term aim has always been a politically united Europe.

'Europe will not be built all at once, or through a single comprehensive plan. It will be built through concrete achievements, which will first create de facto solidarity. . . These proposals will build the first solid foundations of the European federation which is indispensable to the preservation of peace.'

Declaration made in Paris on May 9, 1950 by Robert Schuman, then French Foreign Minister

'Resolved to substitute for age-old rivalries the merging of their essential interests: to create, by establishing an economic community, the basis for a broader and deeper community among peoples long divided by bloody conflicts; and to lay the foundations for institutions which will give direction to a destiny henceforward shared.'

ECSC Treaty, Paris, April 18, 1951

'Determined to lay the foundations of an ever closer union among the peoples of Europe. . . Resolved by thus pooling their resources to preserve and strengthen peace and liberty, and calling upon the other peoples of Europe who share their ideal to join in their effort, have decided to create a European Economic Community.'

EEC Treaty, Rome, March 25, 1957

But this aim has always been hard to define. In the early 1950s the phrase 'political union' usually connoted a federation or confederation like the United States or Switzerland. In the 1960s the same phrase was often applied to organized co-operation between Governments

on such political questions as foreign policy and defence. Examples of the former are EDC and EPC; examples of the latter are the Fouchet Plan and the 'Davignon Committee'.

EDC and EPC

The first direct move towards political union was the European Defence Community (EDC) Treaty signed in Paris by the original six member States on May 27, 1952. This would have linked national defence establishments and recruited a European army with a common military budget, although national forces were also to have been

allowed.

Shortly afterwards, a plan was drawn up for a European Political Community (EPC).

Both were shelved when the EDC Treaty was defeated on a procedural vote in the French National Assembly on August 30, 1954.

The Fouchet Plan

The Fouchet Plan was drawn up by a committee of national representatives headed by Christian Fouchet from France, and appointed by the Heads of State or Government of the original Six at a meeting in Bonn on July 18, 1961. It envisaged loose co-operation on foreign,

defence and cultural policy through 'Commissions' of national representatives and requiring unanimous governmental approval. Negotiations broke down in 1963, partly over whether or not to include the United Kingdom, not then a member State of the Community.

The 'Davignon' Committee

The 'Davignon Committee', made up of the political directors of the member States' Foreign Ministries, and first chaired by Etienne Davignon from Belgium, was set up in 1970 at the request of the Heads of State or Government of the original Six. Meeting in The Hague on December 1-2, 1960, they asked the Foreign Ministers to report on 'the best way of achieving progress in . . . political unification' among members of the future enlarged Community.

covered by a Community treaty. The President of the Council discusses them annually with the European Parliament, with whose political committee a representative of the 'Davignon Committee' also meets four times a year.

One important result of these political consultations was the resolution on the Middle East adopted on November 6, 1973 – the first time that the Community's nine member States had publicly taken a joint stand on a major foreign-policy issue. Their second, in July 1974, was their joint stand on the Cyprus issue. They have also adopted a joint position in the (East-West) Conference on Security and Co-operation in Europe (CSCE).

The 'Davignon Committee', which now includes the three new member States, meets at least four times a year and prepares the twice-yearly meetings of Foreign Ministers. The Commission takes part in the Foreign Ministers' meetings when they discuss any matter

'European Union'

At the Paris 'summit' meeting of October 19–20, 1972, the Heads of State or Government 'set themselves the major objective of transforming, before the end of the present decade and with the fullest respect for the Treaties already signed, the whole complex of the relations of member States into a European union', and requested 'the institutions of the Community to draw up a report on the subject before the end of 1975 for

submission to a summit conference'.

At their 'summit' meeting in Copenhagen on December 14–15, 1973 they agreed to develop further their system of political co-operation so that they could 'tackle with confidence and realism further stages in the construction of a united Europe, thus making easier the proposed transformation of the whole complex of their relations into a European union'.

A brief chronology

- 1946 September 19. Winston Churchill, in Zurich, urges Franco-German reconciliation within 'a kind of United States of Europe'.
- 1947 June 5. US Secretary of State George G. Marshall offers American aid for a collective European recovery programme.
October 29. Benelux – economic union of Belgium, Netherlands and Luxembourg set up.
- 1948 April 16. The Treaty setting up the Organisation for European Economic Co-operation, for the administration of Marshall aid, signed in Paris.
May 8. Congress of Europe at The Hague.
- 1949 May 5. Council of Europe Statute signed.
- 1950 May 9. French Foreign Minister Robert Schuman proposes European Coal and Steel Community to place Europe's coal and steel resources under a common authority.
October 24. French Prime Minister René Pleven proposes European Defence Community (EDC).
- 1951 April 18. Treaty setting up the European Coal and Steel Community (ECSC) signed in Paris.
- 1952 May 27. EDC Treaty signed in Paris.
August 10. ECSC executive body, the High Authority, begins work in Luxembourg with Jean Monnet as its first President.
- 1953 February 10. Opening of ECSC common market for coal, iron ore and scrap.
May 1. Opening of ECSC common market for steel.
- 1954 August 30. EDC Treaty rejected on procedural vote in French national assembly.
December 21. Treaty of association between ECSC and United Kingdom.
- 1955 June 1–2. Messina Conference: Foreign Ministers of the Community's member States decide on further economic integration as the basis for future unity.
- 1956 May 29. Venice Conference: Community foreign ministers agree to treaty-drafting conference.
- 1957 March 25. Signature of Rome Treaties setting up the European Economic Community (EEC or Common Market) and the European Atomic Energy Community (Euratom).
- 1958 January 1. Rome Treaties come into force. Walter Hallstein becomes EEC Commission's first President, Etienne Hirsch becomes first President of Euratom Commission.
March 19–20. First session of European Parliament: Robert Schuman elected Speaker.
- 1959 January 1. First EEC tariff and quota enlargements.
- 1961 July 9. Association agreement with Greece signed in Athens.
July 18. Bonn 'Summit' meeting proposes 'political union'.
August 1. Ireland applies for Community membership.
August 10. Britain and Denmark request negotiations aimed at Community membership.
November 8. Negotiations for British membership open in Brussels.
December 15. Three neutrals – Austria, Sweden and Switzerland – apply for association with the Community.
- 1962 January 14. Community fixes basic features of common agricultural policy.
April 30. Norway requests negotiations for Community membership.
July 30. First common agricultural policy regulations take effect.
- 1963 January 14. French President Charles de Gaulle declares that Britain is not ready for Community membership.
January 22. Franco-German Treaty of Co-operation signed in Paris.
January 29. Negotiations between the Community and Britain broken off.
July 1. Signature at Yaounde, Cameroon, of Convention associating with the Community 18 independent states in Africa and Madagascar.
September 12. Association agreement with Turkey signed in Ankara.
- 1964 May 4. Kennedy Round of negotiations within the General Agreement on Tariffs and Trade (GATT) opens in Geneva.
June 1. First Yaoundé Convention in force.
- 1965 March 21. EEC Commission proposes that, as from July 1, 1967, all Community countries' import duties and levies be paid into Community budget and that powers of European Parliament be increased.
April 8. Community member States sign treaty merging Community Executive institutions.
July 1. Council fails to reach agreement by deadline fixed on financing common farm policy; French boycott of Community institutions begins seven-month crisis.
- 1966 January 29. Foreign ministers agree to resume full Community activity.
May 11. Council agree that on July 1, 1968 all tariffs on trade between member States shall be removed and that the common external tariff shall come into effect, completing the Community's customs union. It agrees also to complete common farm policy by same date.
July 16. Association agreement between the Community and Nigeria signed.
- 1967 February 8–9. Council of Ministers accepts first five-year economic programme and agrees to introduce a uniform system of value-added tax in all six member countries.
May 10. Britain, Ireland and Denmark submit formal applications for membership of the Community.
May 15. Kennedy Round ends in agreement to cut industrial tariffs by an average of 35–40%.
July 1. Merger of Community executive institutions; 14-member Commission of the European Communities under President Jean Rey replaces the ECSC High Authority and the Commissions of the EEC and Euratom.
July 21. Norway submits formal application for Community membership.
November 27. President de Gaulle, in a press conference, objects to British entry.
December 19. Council reaches deadlock on British and other membership applications.
- 1968 July 1. Customs union completed 18 months ahead of schedule. Remaining industrial tariffs between the Six abolished. Common external tariff operates around Common Market. Community makes first Kennedy Round tariff cuts.
July 18–19. Community makes basic common transport policy regulations.
July 20. Community applies article 108 (mutual aid) of the Rome Treaty for the first time. Community authorizes France to impose some quotas to overcome balance of payments difficulties.
July 26. Signing of association agreement with Kenya, Uganda and Tanzania in Arusha, Tanzania.
July 29. Community countries decide to remove last remaining restrictions of free movement of workers and the last national discriminations between member States' workers in employment, pay and other conditions.

- December 9. Community adopts common foreign-trade policy for most imports.
- December 10. Announcement of 'Agriculture 1980', a 10-year plan (Mansholt Plan) for modernizing farming. Community agrees on technological co-operation with other interested European states.
- December 18. Commission submits guidelines for common energy policy.
- 1969 February 12. Commission urges member States to co-ordinate economic and monetary policies more closely and advocates a mutual aid system to help member countries in balance-of-payments difficulties.
- April 25. Commission draft 1970-4 Euratom programme urges member States to let Euratom extend its activities to non-nuclear scientific research.
- May 31. First Yaoundé Convention expires.
- July 16. Commission proposes that Community activities be financed from its own resources by 1974 and that the European Parliament's budgetary powers be increased.
- July 17. Member States agree in principle to short-term mutual aid system and decide to hold prior consultations on proposed major short-term economic policy measures.
- July 29. **Second Yaoundé Convention signed.**
- September 1. **Community agreements with Morocco and Tunisia in effect.**
- September 24. Kenya, Uganda and Tanzania renew association agreements with EEC.
- September 29. Germany 'floats' the D-mark.
- October 15. Commission proposals to harmonize national regional policies and to create an interest-rebate fund for, and permanent committee on regional development.
- December 1-2. **The Hague 'Summit' meeting: Heads of State or Government of the Community member States agree to complete, enlarge and strengthen the Community.**
- December 6. Six agree to reorganize Euratom.
- December 19-22. **Marathon Council session agrees on permanent arrangements for Parliament financing common farm policy, providing the Community with its own resources from 1978, and strengthening the European Parliament's budgetary powers.**
- December 31. **Community's 12-year transition period ends.**
- 1970 January 1. **Common foreign-trade policy comes into operation.**
- January 26. Community member States agree on steps to define medium-term economic policies jointly and to create short-term mutual-aid system.
- February 9. Community central banks activate \$2 billion short-term mutual monetary aid system.
- March 4. Commission submits three-stage plan ('Werner Plan') for full monetary and economic union by 1980.
- March 19. **Community trade agreement signed with Yugoslavia.**
- March 21. Commission outlines steps needed for a common industrial policy.
- April 21. **Luxembourg agreement on the Community's 'own resources'.**
- April 22. **Luxembourg agreement on increasing European Parliament's powers.**
- June 24. Commission calls for European company statute.
- June 30. **Membership negotiations open in Luxembourg between the Community member States and Britain, Denmark, Ireland and Norway.**
- July 1. Commission membership reduced from 14 to 9; Franco-Maria Malfatti succeeds Jean Rey as President.
- July 27. Community member States agree to increase European Social Fund's powers to retrain and resettle workers.
- July 31. Community member States agree to twice-yearly ministerial meetings on political co-operation.
- October 1. **Trade agreements with Israel and Spain come into force.**
- November 19. Foreign ministers of the Six meet for the first time, in Munich, to concert their views on foreign policy.
- 1971 January 1. **Second Yaoundé and Arusha Conventions come into force. Community's 'own-revenue' system comes into operation.**
- February 1. **Common fisheries policy takes effect.**
- February 9. Community member States launch three-stage 10-year plan for full economic and monetary union.
- March 24. Community member States take first steps to carry out Mansholt Plan to modernize farming.
- April 1. **Association with Malta in effect.**
- July 1. **EEC introduces general tariff preferences for 91 developing countries.**
- August 15. **United States imposes temporary 10% surcharge on imports and suspends convertibility of dollars into gold.**
- October 28. **House of Commons accepts principle of British entry into Community by 356 votes to 244.**
- 1972 January 22. **Accession Treaties signed.**
- March 20. Leonid Brezhnev, First Secretary of Soviet Communist Party, 'recognizes existence' and development of Community.
- March 21. Community member States relaunch economic and monetary union project.
- March 22. Sicco L. Mansholt becomes Commission President.
- April 17. Council issues directives on farm modernization measures.
- April 19. **Six sign agreement for European University Institute in Florence, Italy.**
- April 23. French electorate, voting in a referendum, approves Community's enlargement.
- April 24. The EEC and the prospective new members narrow the margin of fluctuation of their currencies, forming the snake in the tunnel?.
- May 10. In referendum large majority of Irish electorate votes for Community membership.
- May 12. **Association agreement signed with Mauritius.**
- May 31. Commission proposals for a common policy for scientific research and technological development.
- June 23. Britain 'floats' the pound. UK and Ireland temporarily withdraw from EEC agreement to maintain narrow margins of currency fluctuation.
- July 22. **Community signs free trade agreements with Austria, Iceland, Portugal, Sweden and Switzerland.**
- September 26. Norwegian entry to Community is rejected by referendum.
- October 2. Danish electorate approves Community membership by referendum.
- October 19-20. **Heads of State or Government at a Community 'Summit' meeting in Paris decide on a timetable for the Community's work.**
- December 18. **Trade agreements with Egypt and Lebanon signed.**
- December 19. **Association agreement with Cyprus signed.**
- 1973 January 1. **Britain, Ireland and Denmark join the Community.**
- January 6. Thirteen-member Commission, headed by François-Xavier Ortoli, takes office.
- January 22. Italy sets up two-tier (commercial and financial) exchange-rate system.
- February 6. Council adopts long-term Euratom programme.
- February 13. Italy floats both the commercial and the financial lira.
- February 14. US dollar devalued by 10%.
- February 21. Court upholds Continental Can's appeal against Commission ruling that it abused its 'dominant position' in Common Market, but supports Commission's contention that EEC Treaty empowers it to control mergers and monopolies.
- March 12. Community currencies (except those of Britain, Ireland and Italy) float jointly within 'snake'.
- April 1. **First 20% cut in industrial tariffs between the original Six and the new member States.**
- April 2. **Trade agreement signed with Uruguay.**
- April 6. **European Monetary Co-operation Fund set up in Brussels.**
- May 1. Community opens office to help small firms co-operate.
- May 14. **Community signs free trade agreement with Norway.**
- July 3. **European Conference on Security and Co-operation opens in Helsinki.**
- July 19-20. At first Council session on environmental questions Nine agree on guiding principles.
- September 1. **Trade agreement with Yugoslavia in effect.**
- September 12. **GATT world trade talks open in Tokyo.**
- October 5. Twenty-one countries endorse European Patent Convention.
- October 17. Community opens negotiations with associated and 'associable' developing countries.
- October 22-26. Commission holds first public hearings on mutual recognition of diplomas for medical profession.
- November 6. Community foreign ministers issue joint declaration on the Middle East.
- December 14-15. **Community 'Summit' in Copenhagen.**
- December 17. **Trade agreement signed with India.**
- December 19. **Trade agreement with Brazil signed.**
- 1974 January 1. **Second 20% cut in tariffs on imports between Britain, Ireland and Denmark and the old 'Six' is made. Britain adopts the Common Customs Nomenclature. Trade agreement with Finland in effect.**

January 14. Community in throes of crisis over linked negotiations on energy and Regional Development Fund.
 January 19. France floats franc.
 February 1. President Ortolu makes declaration of 'State of Union' on Community crisis, calls on Heads of Governments to carry out decisions towards European unity.
 February 11. Community Ministers meet Americans at Washington to discuss energy. France finally unable to agree to joint Western measures on financial and supply problems of oil.
 February 28. British General Election results in minority Labour Government pledged to seek fundamental renegotiation of terms of British entry to Community, after which results to be put to British people.
 March 16. President Nixon puts off planned European visit, attacks Community for lack of co-operation: but pledges US troops to stay in Europe.
 March 23. Agriculture Ministers agree new annual prices, and approve special measures to contain British food prices.
 April 1. Foreign Secretary James Callaghan open British 'renegotiation' in Luxembourg.
 April 2. Death of President Pompidou.
 April 22. Community Finance Ministers approve increase in gold price for transactions among central banks.

April 30. Italian Government announces measures aimed at severely restricting all imports. Community approves new measures to reduce beef 'mountain'.
 May 7. Federal German Chancellor Willy Brandt resigns, to be succeeded by Helmut Schmidt on May 16.
 May 19. Valéry Giscard d'Estaing elected President of France.
 June 4. In Luxembourg Britain unveils detailed plans for renegotiation, on budget, CAP, State aid and imports. Council approves in principle increased budgetary powers for Parliament.
 July 16. Agriculture Ministers approve series of measures to deal with beef crisis, including graduated slaughter premiums. Council agrees in principle on aid to non-associated countries.
 July 23. Council approves mandate for negotiations with Mediterranean countries after months of deadlock.
 July 26. At Kingston, Jamaica, meeting of Ministers of Nine and 44 'associable' countries paves way for final agreement on new relations.
 August 8. President Nixon resigns over Watergate; his replacement by President Ford after election of Wilson, Schmidt and Giscard d'Estaing heralds new atmosphere in Atlantic relations.
 September 14. Heads of State or Government hold informal 'Summit' talks at a dinner in Paris.

Abbreviations

CAP Common Agricultural Policy
 Comecon Council for Mutual Economic Assistance
 CSCE Conference on Security and Co-operation in Europe
 DAC Development Assistance Committee (of OECD)
 EAGGF European Agricultural Guidance and Guarantee Fund
 ECSC The European Coal and Steel Community
 EDC European Defence Community (project)
 EEC The European Economic Community
 EFTA The European Free Trade Association
 EIB The European Investment Bank
 ENEA The European Nuclear Energy Agency (of OECD)
 EPC European Political Community (project)

Euratom The European Atomic Energy Community
 GATT The General Agreement on Tariffs and Trade
 GNP Gross national product
 GSP Generalized system of preferences
 IMF The International Monetary Fund
 OECD The Organisation for Economic Co-operation and Development
 R & D Research and development
 UNCTAD The United Nations Conference on Trade and Development
 UNRWA The United Nations Relief and Work Organisation
 VAT Value-added tax

Further Reading

A very brief selection of books and pamphlets in English

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Some Periodical Publications

European Community

- Monthly, free, from the London office of the Commission, 20 Kensington Palace Gardens, London W8 4QQ. Telephone: (01) 787-8090

Agence Europe

- Private news agency publishing daily accounts of current developments in the Communities
34b rue Philippe
Luxembourg, Grand Duchy

Agenor

- Monthly publication devoted to social affairs in Europe
13 rue Hobbema
1040 Brussels, Belgium

Agra Europe

- Weekly newsletter on agricultural developments in the Community
1 Old Burlington Street
London W1

Common Market Law Reports

- Monthly report on principal decisions of the Court of Justice and of national courts relating to the implementations of the Community Treaties
Common Market Law Reports Ltd
49 Park Lane,
London W1

Euromoney

- Monthly magazine on international and European monetary developments
14 Finsbury Circus
London EC2

European Community Information

- Monthly record of activities of the Communities' institutions
Financial Times
Bracken House, Cannon Street
London EC4P 4BY

European Intelligence

- Bi-monthly review of the European business economy and activities of the Communities
European Intelligence Ltd
Agroup House,
16 Lonsdale Gardens
Tunbridge Wells, Kent

European Law Newsletter

- Monthly survey of European legal developments
Financial Times
Bracken House, Cannon Street
London EC4P 4BY

European Report

- Bi-weekly news service on Community developments
Avenue Albert Elisabeth 46
1040 Brussels, Belgium

Journal of Common Market Studies

- Quarterly journal of articles on integration in Europe and Latin America
Basil Blackwell
49 Broad Street
Oxford

New Europe

- Quarterly published by the British Council of the European Movement
Europe House
1A Whitehall Place
London SW12 2HA

