

SPECIAL NUMBER : 25th ANNIVERSARY OF TREATY OF ROME

It was March 25, 1957. Rome, the Eternal City, was being drenched by driving rain. In the Great Hall of the Capitol, people knew that they were taking part in a truly historic event. One after the other, the Foreign Ministers of Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands placed their signatures at the bottom of two treaties, one establishing the European Economic Community (EEC), the other setting up the European Atomic Energy Community (Euratom). A quarter of a century later, the documents remain the guiding light for Community action, although the original Six have become Nine, then Ten and will soon become Twelve.

But it would be wrong to call the Rome Treaties the "birth" of a united Europe. As early as 1951, a treaty was signed in Paris, creating the European Coal and Steel Community (ECSC). The process of European integration seemed threatened when, in 1954, the French National Assembly refused to ratify the treaty proposing the setting up of a European Defence Community. A new tack was proposed by the

(continued on p. 2)

S U M M A R Y

- p. 3 1957-1982 : The well-being of Europeans
- p. 4 AGRICULTURE : A bulging larder
- p. 5 TRADE : The threat of protectionism
- p. 6 EXTERNAL RELATIONS : The Community and world trade
- p. 7 ... WHAT NEXT ?
- The European drivers' licence and passport
- From the "snake" to the ECU
- p. 8 Who cares about Europe ?
- The Eurocrats, a race apart ?

This newsheet is published in six languages (English, French, German, Dutch, Italian and Spanish) by the Directorate-General for Information of the

Commission of the European Communities,
Rue de la Loi 200 - 1049 Brussels - Belgium
Tel.: 2351111 - Telex: 21877 COMEU B

Its contents do not necessarily reflect the official views of the Community institutions.

Editor: Will. J. Reckman



Benelux Ministers : Beyen of the Netherlands, Bech of Luxembourg and Spaak of Belgium. Spaak, in particular, deployed all the political expertise at his command in presiding over the negotiations that led to the signing of the Rome Treaties. As the Community celebrates its 25th anniversary, it is interesting to look back at these documents.

They are certainly not the sort of literature that you would take along for light reading on a summer holiday. But most experts agree that the EEC Treaty has stood up well to the test of time. The founding fathers of Europe were extraordinarily astute in providing their successors with a ways of coping with unforeseen problems which might have threatened the objectives that they were aiming for. These were on the one hand economic expansion and improvement of the standard of living and on the other hand a political union between the peoples of Europe. Twenty-five years have not been sufficient time for all the objectives to materialise. The period represents just about a generation, which is a drop in the ocean of Europe's history.

But even in such a relatively short space of time, a lot of ground has been covered. The idea of another war between the peoples of Western Europe now seems virtually inconceivable. A unified market has been created thanks to the gradual elimination of internal customs barriers which have opened the way for a spectacular expansion of intra-Community trade. Agriculture, freedom of travel and aid to developing countries are other areas where the Community has been daring and dynamic.

But in every sort of accounting, there are liabilities as well as assets. The 10 EEC member countries have fared worse than their American and Japanese partners in the existing economic crisis, and suffered a dramatic rise in unemployment. Recent initiatives have provided hope that 1982 could be the year for a Community resurgence which might signal a new departure. Europe is at a crossroads : it must advance in order to avoid sliding irreversibly back down the slippery economic slope.

The articles in this number are aimed at answering a number of the main questions on the state of Europe after 25 years. Eurofocus thereby hopes to contribute to an awareness of what Europe has accomplished, what problems it faces, and what the future holds.

1957-1982 : The well-being of Europeans

Has the European Community made Europeans any happier ? This is obviously a difficult question to answer as happiness is difficult to quantify. On the other hand it is far easier to measure the degree of comfort they now enjoy. A number of consumer goods which were the preserve of the minority, are now accessible to a much larger number of people. Even if they don't bring instant happiness, they certainly contribute to it.

The standard of living in Europe has increased tremendously in the past 25 years and most people have benefitted from it. Sceptics have claimed that the role of "the Common Market" in European growth has not been crucial and that economic expansion would have been the same without the elimination of customs barriers between the Community member states. But statistics show that trade between the six countries that signed the Treaty of Rome increased eight-fold between 1958 and 1972. On the other hand, the increase registered during the same period for the United Kingdom, which had not yet joined the Community, was far lower. By liberalising trade, the Community flooded national markets with new products and consumption expanded to a continental scale. Consumers choice enlarged immeasurably as the scope of what one could buy multiplied. Eating habits are one of the most obvious measures of living standards. There is a tendency to eat more meat and less bread and starch as ones income rises. Annual meat consumption of the Community has nearly doubled in 25 years and in 1979 Europeans consumed an average of nearly 90 kilogrammes. Communications are another guage of wealth and in Europe the number of telephones has more than quadrupled in 25 years. There were an average of nine telephones per 100 inhabitants in the original Six Community countries in 1959 compared to 40 per 100 residents in the Ten in 1979. There has also been a remarkable increase in the number of private automobiles. Currently there are more than 30 per 100 inhabitants. In leisure too, the number of televisions tripled between 1960 and 1976.

But although these figures, for the most part, compare favourably with those of Japan, they are way behind those of the United States. They correspond to the American living standards of 15 years ago.

AGRICULTURE : A bulging larder

The nature of European agriculture has changed a lot since 1957 when the Treaty of Rome was signed. Then Europe had about 19 million farmers, now there are only 8 million. Technological progress led to increases of productivity of about 8 percent per year up to 1973 and about 5 percent since then. The Common Agricultural Policy (CAP) has been in operation for 20 years and is still the only truly integrated European Community policy. In 1958, the six founding members of the Community defined the three main aims of their agricultural systems : to improve the competitiveness of their agriculture to protect it from unfair foreign competition and to make farmers better off without encouraging them to overproduce.

Most of these objectives have been achieved over the past twenty-five years. Increases in productivity, the stability of markets, and prices and security of supplies are all evident. In a world where large numbers of people suffer from hunger because of bad harvests, Europeans have now forgotten memories of former shortages. Stockpiling supplies have allowed the Community to abandon a day-to-day existence. For example, when in 1973 world wheat prices rose by 70 percent on international markets, the Community price increased by only 4 percent.

Despite its unquestioned achievements, the CAP is regularly the target of criticisms. These centre on the fact that the system of guaranteed farm prices has resulted in the surplus production in a number of sectors, such as the dairying, which by itself absorbs nearly a third of the entire Community budget.

The European Commission has been trying to improve the CAP in a number of ways for some time. While refusing to impose artificial limits on agricultural production, EEC officials have proposed production ceilings, beyond which existing price guarantees would be reduced or adjusted, so that producers would have to share the expense of disposing of surpluses. The amounts would be set according to the Community's food needs, but would also take into account world market conditions and the problems of world hunger.

TRADE : The threat of protectionism

Twenty-five years of free trade that brought prosperity to Europe with the signing of the Rome Treaties, may be in danger of disappearing as states respond to the economic crisis by retreating behind national trade barriers, according to European Commission President Gaston Thorn.

Outlining the European Communities plans for 1982 to members of the European Parliament in Strasbourg, Mr Thorn voiced the fears of increasing numbers of European statesmen that protectionism and the destruction of "the single market" could destroy the *raison d'être* for a unified Europe.

Fears for free trade have been growing since the announcement of plans by the new French socialist government to protect a number of hard-pressed French industries, in an attempt to "win back their home market" from foreign competitors. Machine tools, textiles, leather goods, toys and furniture would be among those industries to benefit from the move, which has brought widespread criticism from other EEC member states and Commission officials.

The French initiative is by no means the first time in recent years that the spectre of protectionism has threatened European unity. In August of last year, Britain banned all imports of poultry, eggs and egg products from countries which failed to comply with its new health regulations to control fowl pest. The move was generally regarded as a pretext to exclude cheap French turkeys from the lucrative British market, in defiance of a Commission ruling that regional aid subsidies paid to French producers in Brittany were acceptable under Community law.

The so-called "Turkey War" followed recent precedents set by the example of the Franco-Italian "Wine War" and the Franco-British "Lamb War". The French blockade of cheap Italian wine imports led to violent clashes in the Mediterranean port of Sète and the dumping of thousands of gallons of wine into the sea. French farmers also blocked imports of British lamb last year, claiming that it was artificially cheap because of preferential imports to the British market from New Zealand.

The danger of imposing protectionist measures, even in isolated sectors, is primarily one of retaliation, according to EEC officials. Introducing one trade barrier means that others are likely to spring up like dragons teeth to protect inefficient and uncompetitive national industries, until the old, stifling pre-European Community web of protectionism reappears. At a time when European unemployment is topping the ten million mark, registering an increase of 28 percent last year, the need for a unified market to overcome the recession has never been greater, they say.

The Community and world trade ...

When Zimbabwe became the sixty-first signatory of the Lomé Convention, this month, the move was seen as the latest step in twenty-five years of the European Community's steadily expanding role in world affairs. As the world's largest trading bloc, accounting for about twenty-one percent of world trade, the EEC now hosts more than a hundred diplomatic missions and has negotiated trading agreements on behalf of its member states, all over the world.

But trade relations between the European Community and, in particular, its industrialised trading partners, have suffered as a result of the world recession. Acrimonious exchanges over acceptable levels of agricultural and industrial imports and exports have raged in recent months with Japan and the United States. On the other hand, relations with the sixty-one African, Caribbean and Pacific signatories of the Lomé Convention improved slightly with a decision to stockpile two million tonnes of sugar from last year's bumper EEC crop, to boost world prices.

Arguments with the US have centred primarily in the areas of agriculture, steel and textiles, rather than in the more general problems of reciprocal access to markets evident in the EEC's relationship with Japan.

The Reagan administration's offensive to expand US farm exports has led to renewed US objections to the guaranteed prices and export rebates offered to European farmers under the Common Agricultural Policy. But EEC officials reject the criticism, pointing to comparable US programmes and a multi-billion dollar American surplus in agricultural trade with the Community, based mainly on soya bean exports.

Steel has become another bone of transatlantic contention. The Americans claim that public subsidies to steel producers in Europe enable them to flood the US market with cheap exports. The Europeans deny dumping charges and say that subsidies are designed only to assist restructuring measures, and not to create unfair competition. European industrial affairs Commissioner Etienne Davignon blames a world recession in steel, and points out that while production and consumption of steel dropped by 12 percent in the US between 1979 and 1981, Community exports dropped by 16 percent. Similar problems exist in the textiles and clothing sector, where an explosion of production in low-wage Third World nations is putting increasing pressure on the industrialised blocs of Europe, the US and Japan to import more. European producers feel that the US and Japan should be doing more to help, and at the recent renegotiation of the Multi-fibre Arrangement, which regulates world trade in textiles, EEC officials argued from a near isolated position. But whatever the economic pressures, the free trade ideals on which European unity was built, look like holding firm. Earlier this month, the President of the European Council of Ministers condemned as protectionist proposals mooted in Washington for a "reciprocal" tariff relationship of equal exports between the United States and Japan.

... WHAT NEXT ?The European drivers' licence and passport

A Euro-driving licence and a Euro-passport are just around the corner. They will be introduced in 1985-86. As symbols of Community membership they will also make travel easier for citizens of the Ten.

To prepare for the introduction of a Community drivers' licence, driving tests and examinations required in the different member states will be harmonised in roughly the same way that traffic signs have already been.

After 1983, national authorities will honour the licences issued by their Community neighbours, without question. When the licence appears it will be pink.

The European Community passport will be issued in 1985 and will completely replace the 10 national passports some 10 years later. This other important symbol of belonging to a Community of nations has been the subject of lengthy discussions. It took seven years of debate about its size, contents and colour. In the end, officials agreed that it should contain 32 pages and be Burgundy (although in French it will be referred to as "Bordeaux".)

From the snake to the ECU.

After 25 years the European Community still does not have a common currency. But it does have the ECU and although nobody carries it in their wallet yet, it is quite important. It acts as a common financial unit for all inter-state transactions within the Community, and the Central Banks use it as part of their reserve assets. The first steps toward European monetary unity date back to 1972 with the "snake", which linked the value of European currencies together within certain narrow limits of fluctuation. In 1979 the Nine went further and established the European Monetary System (EMS) to help stabilise Community exchange rates.

The next phase planned for the EMS will consist of strengthening the role of the ECU, to increase its use in transactions and to create a European Monetary Fund to issue ECU loans to support national currencies. A common currency would contribute to an expansion of internal industrial and agricultural markets and might help Community countries to overcome the current economic crisis.

Who cares about Europe ?

Three out of four people in Europe would like to see greater European integration. That was the conclusion of a poll marking twenty-five years of Europe since the signing of the Treaty of Rome.

Despite pessimism over future unemployment, social unrest and falling living standards, the survey, undertaken by professional pollsters on behalf of the European Commission, showed a clear mandate in favour of closer links to solve the problems of economic recession shared by all EEC member states.

Support for a unified Europe is still strongest in the original Six member states of the Community. In France, West Germany, Italy and the Benelux countries about 77.5 percent of the population favour closer ties. But the British, the Irish and the Danish, who joined fifteen years later, in 1973, remain sceptical, averaging only 52 percent support. Greece, which joined last year, polled 65 percent in favour of further unification. The Europeans least worried about the bleak economic prospects held out by the future are the Greeks and the French. The most pessimistic are the Dutch and the Belgians, who, with the West Germans, also tend to be the most concerned about the build-up of nuclear arms in Western Europe and the threat of nuclear war. The Italians are the only Europeans who are seriously worried about the state of their internal political system.

"The Eurocrats - A race apart ?"

The shadowy figures who man the institutions of the European Community are a much-maligned body of dedicated men and women, on whose shoulders rest many of the burdens of building Europe.

Workloads are soaring for the European civil servants who have been the envy of Europe for twenty-five years and number around sixteen thousand. Every day a growing number of proposals and memoranda flow between the European Commission, the Council of Ministers, the European Parliament and the other institutions, to be handled by what has become, relatively speaking, a very small number of officials.

Less than seven hundred "Eurocrats" administer the Common Agricultural Policy which in Germany alone employs 20,000 national civil servants. In food aid to the Third World, just twenty-eight EEC officials have to administer a 279 million pound programme of comparable size to the UN programme which employs three hundred. More trade agreements with non-Community countries, all of which are negotiated by the European Commission rather than the individual member states, are also putting pressure on the five hundred and twenty-odd European civil servants responsible for their day-to-day administration.