

# EUROPEAN COMMUNITY NEWS

**PUBLISHED FORTNIGHTLY**

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**COMMISSION OF THE EUROPEAN COMMUNITIES**

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## ALL SYSTEMS GO

Both the proposed European economic and monetary union and the 10-nation Paris summit seem "on" after the September 11-12 meeting of the enlarged Community's finance ministers in Rome.

Clearing the way for the economic and monetary union was the 10 ministers' decision to set up a European Monetary Fund. The Fund would supervise the day-to-day operation of maintaining the member countries' exchange rate margins, run the Community's \$1.4 billion credit for monetary support, arrange settlements of these credit operations, and settle transactions in the Community "units of account." The Fund would be administered by the Community's central bankers and supervised by the 10 finance ministers. Final approval for the Fund is up to the 10 heads of government when they meet in Paris October 19-20.

This Paris summit, in question during much of the summer, will apparently take place after all in view of the progress made by the finance ministers. A decision on the summit still must await, however, a French Cabinet meeting on September 15. The French have been threatening to call off the summit all along.

The finance ministers also discussed concerted measures to tackle inflation, which has hit Europe hard in recent months, and decided on a common effort to stem international terrorism, in the aftermath of the Munich Olympic tragedy.

## GREENWALD TO SUCCEED SCHAETZEL

The President announced September 12 that he would nominate Joseph A. Greenwald, currently Head of the US Mission to the Organization for Economic Cooperation and Development (OECD) in Paris, as Head of the US Mission to the European Communities. If confirmed by the Senate, Mr. Greenwald would succeed J. Robert Schaetzel, who has resigned after serving six years in Brussels. Europeans are reported pleased with the President's choice for Mr. Schaetzel's replacement.

An Illinois native and a graduate of the University of Chicago and of Georgetown University Law School, Mr. Greenwald joined the State Department in 1947. He served first as an economist with the Internal Resources Division and then as economic advisor to the US Delegation to the Economic Commission for Europe in Geneva. He has served in his current position in Paris since 1969.

TRADE ISSUES IDENTIFIED

An Organization for Economic Cooperation and Development (OECD) special report, released early this month, calls for common approaches to the upcoming world trade talks next year. The 117-page report, commissioned in June 1971, was drafted by a 12-member international group of experts, which included US Special Representative for Trade Negotiations William D. Eberle. Former Commission President Jean Rey was committee chairman. The report's recommendations, though not binding on individual governments, included:

- \* new and substantial across-the-board reductions in industrial tariffs, similar to those of the Kennedy Round in the 1960's
- \* an attack on nontariff trade barriers
- \* a prohibition on import quotas except as emergency measures
- \* a recognition of the inter-relation between trade and monetary reform
- \* limitations on export subsidies for agricultural exports
- \* no new agricultural protectionist measures.

COMMUNITY-LEVEL DRIVING STANDARDS?

"Those crazy European drivers" Americans vacationing abroad frequently remark. Though perhaps not sharing that exact sentiment, the European Commission is considering Community-wide controls for licensing auto drivers. These controls might include psychological tests of candidate-drivers and regular physical examinations for all drivers. One proposal would raise the minimum age for a license to 18 and institute a year's probationary period for new drivers.

NO NATIONAL BARRIERS FOR NATURE

Just like the United States -- where the number of visitors to national parks has more than doubled in the last 10 years -- Europe is facing an "outdoor recreational crisis." With more cars and better roads, Europe's parks and nature reserves are becoming increasingly accessible and consequently overcrowded. One answer may lie in the creation of European-wide nature reserves and park federations. Already, there are two "European" nature reserves -- stretching across the German-Luxembourg and German-Belgian borders -- and a joint German-Swiss park is in the planning stage.

EC EXPRESSES OUTRAGE

"Deeply moved" by the tragic death of Israeli athletes in Munich, EC Commission President Sicco L. Mansholt said, "My colleagues and I share the entire world's outrage at this atrocity." The Commission's condolences were contained in a September 7 telegram to Ambassador Moshe Alon, Head of the Israeli Mission to the European Communities. The telegram concluded: "Please convey to the Israeli Government and to the families of the victims our deepest condolences."

NORWAY TO DECIDE "YES" OR "NO"

Norwegians go to the polls September 24-25 to vote on whether their country should join the Community next year. The referendum, although not binding on the Norwegian Parliament, may be decisive in influencing some parliamentarians' votes. At the moment, public opinion seems divided, and the pro-European Prime Minister Trygve Bratelli has put his political future on the line in a DeGaulle-like threat to resign if the referendum loses.

DANISH PARLIAMENT SAYS "YES" TO EUROPE

The Danish Parliament has given the go-ahead for entry into the European Community next year by a 141-to-34 vote. The September 8 Parliamentary vote is not, however, the final decision. The issue must next be put to a public referendum on October 2. Public opinion seems to favor entry, but a negative vote in neighboring Norway's referendum could sway Danish sentiment.

NEXT DOOR NEIGHBORS

Next year the European Community and North America may be neighbors as geographically close as Britain and France. Frequently forgotten in the discussions about the Community's enlargement is the fact that Denmark's entry would bring Greenland into the Community. This Danish province, the largest island in the world, is separated from the North American continent by a body of water narrower than the English Channel. Greenland's population is 40,000, most of whom are Eskimos.

AMERICAN COMMUNITIES AND EUROPEAN COMMUNITIES

Forty-five representatives of World Affairs Councils throughout the United States are meeting in Washington September 14-15 for a workshop/seminar sponsored by the European Community Information Service. The program focuses on the emerging issues in US-EC relations, with an exchange of views between the American participants and representatives from EC Commission headquarters in Brussels.

INFORMING THE INFORMED

If you want information, you usually go to a library. But where do librarians go? On September 7-8, 40 librarians from all over the United States and Canada came to the European Community Information Service in Washington, D.C. The two-day workshop/conference focused on ways depository libraries could improve their collections of materials on the economic, social, legal, and political aspects of the European Community. There are now 35 EC depository libraries located throughout the United States.

ECSC CELEBRATES 20TH BIRTHDAY

The European Coal and Steel Community (ECSC), the first of the three European Communities, will commemorate its twentieth anniversary September 19. Participants in the ceremonies at Luxembourg will include Jean Monnet, the first President of the ECSC High Authority, and EC Commissioner Albert Coppe, also an original member of the High Authority.

COMMUNITY-GROWN TOBACCO

The common agricultural policy is having a positive effect on the Community's tobacco industry. According to a recent Commission document, intra-and-extra-Community trade in tobacco now accounts for 15 per cent of the annual harvest. Italian tobacco sales to other member states account for most of this trade.

VIKING HARVEST

One active male Norwegian in 12 is a fisherman. Norway's catch -- nearly 3,000,000 tons of fish a year -- is double that of the six Community nations together. Nearly 90 per cent is exported. Norway joins the Community next January.

"GET THE LEAD OUT...."

A joint symposium organized by the EC Commission and the US Environmental Protection Agency is scheduled for October 2-6 to discuss health problems caused by lead in the environment. Some 450 experts from 25 countries are expected to attend the conference in Amsterdam.

IDENTITY THROUGH DESIGN

After 14 years of survival without a bird, a flower, a tree, an anthem, or even a flag, the EC Commission thinks it's high time the Community had an official insignia. A contest is being organized to solicit designs for such an insignia. An international jury of four graphic artists, two Community representatives, and one other (as yet undetermined) person will select the winning designs. First prize will be \$3,000.

SWISS REFERENDUM ON INDUSTRIAL FREE TRADE ZONE

Swiss voters will decide this December whether their country should join the projected industrial free trade zone of 16 European nations. The pact between the enlarged Community of Ten and six European Free Trade Zone (EFTA) countries, including Switzerland, was signed July 22 but will be submitted to a public referendum December 2-3 in Switzerland.

SHIRT WAR

The Orient is getting its revenge for having been the main export market for 19th century Europe's textile industries. Belgium, Luxembourg, and the Netherlands claim that the high volume of cheap shirts imported from the Far East is a "serious threat" to domestic industries. In a note to the European Commission last month, the Benelux Governments asked that urgent steps be taken to stem the inflow of such imports. The note said shirts from Hong Kong, South Korea, Taiwan, and Macao numbered 8.6 million last year, compared with a total Benelux production of 20.4 million shirts; the imported shirts were being sold at about 40 per cent below normal Benelux prices. Earlier, the British Shirt Manufacturers Federation had asked the British Government to curb rising shirt imports.

## P R E S S   V I E W S

CHINA LOOKS TO EUROPE

London -- Mainland China appears to be taking an increasing interest in Europe, particularly in the forthcoming enlargement of the European Economic Community. Peking's decision to buy two Anglo-French Concorde, the supersonic airliner, [rather than the Soviet version] is regarded as confirming earlier indications of China's interest in European developments....In Common Market capitals, Chinese officials are stressing the view that the development of the Common Market is of the greatest importance and that it receives wholehearted support from Peking. Although capitalist, the European states are seen as medium-sized countries seeking to assert their independence and, as such, it is argued, will reduce the power of Moscow and Washington. A second, and related, reason for Chinese interest in the enlarging Common Market is thought to be alarm at the deterioration of relations between Peking and Moscow. Soviet military and political power poses a direct threat to China, and it is felt that a strong European Community would prevent Moscow from concentrating forces on the eastern border. -- John Bracken, Financial Times Service, The Christian Science Monitor, August 24, 1972.

EC MONETARY UNION AND POLITICAL UNITY

London -- In the absence of rigorous control over international capital movements, the relationships between currencies will shift, and the only long-term answer is to widen intra-EEC economic cooperation and decision-making to include regional, industrial, fiscal, and monetary policies. "The reality," states Britain's largest deposit-taking bank [Barclays], "is that an effective, as opposed to symbolic, monetary union will require surrender of national sovereignty and greater political unity." -- Graham Booker, The Journal of Commerce, August 24, 1972.

POMPIDOU AND THE EC SUMMIT

Paris -- [French] President George Pompidou has been saying for several months that he would not invite his [Common Market] partners to Paris for such a [summit] meeting unless it were clear beforehand that concrete results would emerge. Further, Paris has made evident that the result it wants is agreement on a monetary policy that would intensify strains between European currencies and the dollar. There has been a certain on again off again quality to French pronouncements on prospects for a high-level meeting. Many of the other European governments have indicated they think Mr. Pompidou is merely engaging in a ploy to push them toward compromise, and really doesn't intend to call the meeting off if his terms aren't fully met....The signs now are that French tactics are beginning to annoy her European partners almost as much as did tough American tactics leading to the interim international money agreement last December. -- Flora Lewis, The New York Times, August 24, 1972.

### SCANDINAVIAN DOUBTS

As the Common Market gets closer to Northern Europe, the Danes and the Norwegians are still sharply divided about joining it.... Most of those opposed to EEC fear its political rather than its economic consequences. In Oslo the cry "Norway for Norwegians," unheard for 27 years, is now commonplace.... The final argument is simple: the bureaucracy in EEC headquarters is stifling. The Scandinavians have had their fill of unpleasantness with bureaucrats. The Ombudsman has been created as their shield. "Do we really need a new layer of officious bureaucrats?" an anti-EEC Social Democrat member of the Landsting asked me. Having tamed their own bureaucracy, many of Scandinavia's voters are leery of adopting a new one. -- Bernard Johnpoll, The Christian Science Monitor, September 5, 1972.

### ANOTHER CROSSROADS

Rome -- The European Economic Community, which has faced more crossroads in its 14 years than anyone can count, is smack in the middle of another one. At issue this time is whether the new, enlarged Europe of 10 nations can achieve enough unity of purpose to pack more international punch than did the "little" Common Market of the Six. As usual in Europe, however, that fundamentally simple issue takes a complex variety of forms that tends to obscure the central point.... Each subject is multi-faceted and complex, but all have one thing in common -- they raise the question of whether the Community is ready to go beyond the status of a successful customs union and play an international political role. And by implication, all face the Europeans with the dilemma that has plagued the Community throughout its existence -- whether Europe is prepared to act with the kind of independence that will inevitably bring it into open conflict with the United States. -- Scott Sullivan, The Baltimore Sun, September 11, 1972.

### ECONOMICS REPLACE POLITICS

Paris -- After a long spell of two-sided summitry, the Western diplomatic calendar is crowded again with conferences. But the emphasis has changed. The issues of diplomacy in the coming conference season have less to do with security, foreign policy, even peace than in the last decade and more to do with economics. Even when heads of government and foreign ministers gather, the most important questions coming up for decision are money and trade.... As the mayor of a small French town said recently, talking about his problems in dealing with the central Government, politics is economics nowadays. That trend has affected international relations too. Money has always played an important role in international affairs, of course. Oil, cartels, markets, had weighty influence on the stand of diplomats. But it tended to be a shadowy influence, exerted behind scenes. Now economics is what most governments are talking to each other about. President Pompidou of France had no qualms about making an effort to sell the French television process Secam -- in competition with the Germans -- the major concrete issue of his recent session with Italy's Premier Giulio Andreotti. This movement of emphasis in the colloquy of nations reflects a growing sense that, in the atomic age, effective power, power which can be used, may have more to do with money and goods than with bombs. -- Flora Lewis, The New York Times, September 12, 1972.

US-EC TALKS CONTINUE

The United States and the European Community have a date in Washington October 5-6. The latest in a series of semi-annual talks, the informal discussions are held alternately in Brussels and Washington and focus on mutual problems and possible common approaches. Leading the Community delegation will be Ralf Dahrendorf, Commissioner in charge of external relations. In the past the US team was led by now-retired Under Secretary of State Nathaniel Samuels.

WORTH QUOTING

*\* But administering trade controls would be child's play compared to attempting to control the export of technology and brain power in a free and open society. Technology is conveyed through the export of products and their accompanying instructions, through a vast international flow of books and journals, through attendance by technical experts at seminars all over the world, and through contacts made in other relationships among people and institutions. It would be futile to try to stop this process. -- THE RESEARCH AND POLICY COMMITTEE OF THE COMMITTEE FOR ECONOMIC DEVELOPMENT, in a July 28 statement, "US Foreign Economic Policy and the Domestic Economy."*

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