

EUROPEAN COMMUNITY NEWS

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COMMISSION OF THE EUROPEAN COMMUNITIES

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NORWAY BREAKS ENGAGEMENT

Norway, trying to join the European Community since 1962 and scheduled to become a member next year, will apparently not be part of the enlarged Community after all. A public referendum September 24-25 rejected Norwegian membership in the Community by approximately 54 per cent to 46 per cent. Though an advisory plebiscite and not binding on the Government, the referendum is thought to be a sufficiently large mandate to determine the Norwegian legislature's vote on the question.

Because of the negative referendum, Norwegian Prime Minister Trygve Bratteli said he would carry out his DeGaulle-like threat to resign. Also because of the plebiscite rejection, the vote on a similar referendum in Denmark October 2 appears less certain than ever. Instead of a Community of "Ten," it may be a community of "Eight."

The Norwegian rejection of Community membership appeared to stem from a number of factors including a well-organized, grassroots, anti-Market campaign called the "People's Popular Movement." Said The Wall Street Journal: "It was an unusual coalition that worked the defeat. While most of Norway's political and economic establishment favored entry into the Common Market, with its vistas of increased trade, fishermen opposed entry because they didn't want foreigners dropping lines in their waters. And farmers were concerned they would lose income if Norway's pricing policies were scrapped for a Common Market approach. Nationalists, too, objected to membership."

That the rural population was more opposed to entry than the populace in general can be seen in the results (based on 605 of the 607 constituencies reporting as of this writing): While the total count of the 949,489 voting "yes" represented 46.4 per cent, and the 1,094,950 voting "no" 53.6 per cent, of the total vote, in Oslo 66.5 per cent said "yes" and only 33.5 per cent "no." Total voter turnout was 77.5 per cent.

In Brussels, not unexpectedly, the reaction was one of "disappointment." "It is a step backwards on the path toward European unity," the EC Commission said in a statement. "The Commission hopes that time will give Norway another chance to participate in this great undertaking. This defeat of 'Europe' should give all of us food for thought on the eve of the conference of heads of state or government. It should persuade us to do everything possible so that the construction of Europe arouses more public interest in creating a truly democratic and socially responsive Europe."

ECSC CELEBRATES BIRTHDAY

The first of the three European Communities is now 20 years old, and many of those who made it work celebrated its anniversary September 19 in Luxembourg, the original seat of the European Coal and Steel Community (ECSC). The ECSC architects "should feel proud of having been the first interpreters of the new European spirit," said EC Vice President Carlo Scarascia-Mugnozza. On hand for the ceremonies were 125 members of the original ECSC staff who still work for Community institutions, including EC Commissioner Albert Coppe, who was a member of the first ECSC High Authority. The real father of the ECSC -- and thus of "Europe" -- was also present, Jean Monnet. Mr. Monnet, the first High Authority President, who together with then French Foreign Minister Robert Schuman drafted the plan for the ECSC, again articulated a by-now familiar theme. "We must understand that we hasten the moment of political unity with every step we take towards economic and monetary integration."

OILING THE MACHINERY OF JUSTICE

Starting next year, civil and commercial judgments handed down in one Community country will be enforceable in all the others. This convention -- signed four years ago, then ratified by Belgium, France, and the Netherlands, but only recently approved by the legislatures in Germany, Italy, and Luxembourg -- will supersede bilateral enforcement of judgments. By a protocol signed this summer, the Community Court in Luxembourg will be empowered to interpret the Convention.

PREMATURITY IN BRUSSELS

"Counting your eggs before they hatch" might be appropriately replaced by "planting your flags before they fly" in the aftermath of the Norwegian referendum. Joining the seven flagpoles outside Commission headquarters in Brussels [one for each member country and one for visitors] last week were four more poles for the enlarged Community of Ten. When the votes were counted September 25 in Norway's referendum, however, it looked as if at least the tenth and maybe the ninth flagpoles were a little premature. But as reported in The Guardian last week, the holes for the flagpoles were ready even before the conclusion of negotiations with the four applicant countries.

INTERNATIONAL TOURISM GROWS

Germans continue to be the most internationally-minded tourists of the Community nationalities. In 1971, according to a recent Organization for Economic Cooperation and Development (OECD) report, Germany's international tourist expenditures amounted to \$3.6 billion, a 27 per cent increase over the previous year. Germany also took in more international tourist receipts than any other Community country -- \$1.5 billion, a 16 per cent increase over 1970. France was second in both expenditures and receipts, followed by Italy, the Netherlands, Belgium, and Luxembourg.

LOW EC GRAIN PRODUCTION MEANS MORE US EXPORTS

Behind the headlines on the American-Soviet grain deal is another possible bonus for US grain exports. According to the US Agriculture Department, the European Community's net import position for the 1972-73 grain season may be increased by 2 million tons. This increase, based on estimates by US Agricultural Attaché Offices in Europe, would stem from lower production and greater demand for grain than last year within the Community. In particular, adverse weather conditions during the recent small-grain harvest seem to have affected both the quantity and quality of the crop.

GYPSIES AND THE COMMUNITY

Nathan Hale's The Man Without a Country apparently has its modern day equivalent in the European Community's countless gypsies. In response to a European Parliament question about Belgium's recent turning back of 200 gypsies at its frontier, the EC Commission said that gypsies benefit from Community provisions for free circulation within the Common Market only when they have nationality of one of the member states. Otherwise, the Commission said, their migration comes under the authority of the concerned member country. At the same time, however, the Commission indicated a readiness to collaborate with the member states in solving the sociological problems of gypsies as an ethnic group.

MORE AND BETTER CARS

The European Community has passed the United States as the world's leading auto maker. In 1970, according to the report, the six EC member countries produced more than 8 million cars, or 35 per cent of the world total. And these cars are increasingly safe as a result of the Community's efforts to harmonize automotive standards, for example by writing specifications for dual brakes, required on all cars. More than 10 safety standards have been passed by the Council of Ministers. Two recent proposals before the Council would require that all front windshields of new cars be made of laminated glass by September 30, 1976, and that the steering wheel and column not be displaced by more than five inches during a frontal impact at 31 m.p.h.

WORKING HOURS DWINDLE

The average work week in the Community is getting shorter. According to the latest figures released by the Community Statistical Office, the average working week (including overtime) is 43.2 hours. France's hours were the highest -- 44.6 -- while Italians and Belgians enjoyed the shortest working week with 42.2 hours. An eight-hour work day is the legal maximum in all the Community countries except Luxembourg, where it is eight and a half hours.

INFLATION CONTINUES....

In its annual economic review, the EC Commission has urged the six member countries to hold the lid on consumer price increases to 3.5 per cent during 1973. The Community, hit particularly hard by inflation, expects the consumer price rise to amount to 6 per cent this year. Calling for a balance between "pursuit of growth and maintenance of stability," the Commission suggested limits on public spending and more cautious credit policies. The Commission report reinforces the actions taken early this month by the enlarged Community's finance ministers toward a common anti-inflation policy.

....SO DOES INDUSTRIAL PRODUCTION

Industrial production in the Community during the second quarter of this year is up by 4 per cent over the same period in 1971. France, with a 7.9 per cent jump in industrial production, the Netherlands, 8.6 per cent, and Belgium, 12 per cent, had the largest percentage increases among the member countries. Released early this month, these statistics were part of the Commission's annual economic review.

COMMUNITY TO INCREASE IMPORTS FROM "THIRD WORLD"

The European Community expects to increase its purchases of manufactured products from developing countries by 15 per cent annually, according to EC Commission President Sicco L. Mansholt. Mr. Mansholt, already known for his strong personal interest in the "Third World," made his prediction on the last stage of a two-week tour of Southeast Asia. Speaking in Singapore September 20, the Commission President urged developing countries to process their exported raw materials, thereby creating new industries. At the 15 per cent rate increase projected by Mr. Mansholt, processed exports from the Third World to the Community would double the present total in six years. The Commission President also visited Indonesia and Malaysia, members of the Association of Southeast Asian Nations (ASEAN). In June, representatives of this regional economic group visited Brussels.

COMMISSION KEEPS ITS PROMISE

Following the Commission's decision this summer to maintain contact with consumer organizations, Commissioner Albert Borschette met with representatives of four such organizations September 12 and 15. Later meetings are planned with two other organizations that represent the interests of consumers throughout the Community. Mr. Borschette is the Commissioner responsible for consumer affairs.

....AND PROMISES MORE

The European Community is taking the lead of the United States in developing "truth in packaging" and "truth in lending" requirements. Such efforts at protecting the European consumer were outlined by Commissioner Albert Borschette at the September 20 session of the European Parliament in Luxembourg. In addition, the Commissioner in charge of consumer affairs noted that the Commission has begun projects to harmonize legislation affecting consumers, to eradicate misleading advertising, and to ensure product safety. Moreover, the Commission office charged with consumer problems has requested additional funds.

JAPANESE-EUROPEAN TRADE

"The enlarged Community will be the largest trading bloc in the world. It is fully able to protect itself if it is not getting fair treatment elsewhere." British Prime Minister Edward Heath made these remarks at a September 18 Tokyo news conference after talks with Japanese officials reportedly focusing on the trade imbalance between Europe and Japan. Britain is to join the Community January 1, 1973.

P R E S S V I E W S

A NORSE CLOUD OVER EUROPE

LONDON -- Norway is small. But its decision to drop out of the European Communities (EC or Common Market) will have an impact far out of proportion to its population and its economic potential. It could slow down some important EC decisions that the United States and other countries would like to see resolved so they can proceed with their own planning....Norway's decision to opt out dealt a psychological blow to the Common Market at a time when the mood was already somewhat blue. And given the way the Community goes about decision-making, the psychology and mood of its councils can make the difference between real progress or the more prevalent spinning of wheels followed by endless pronouncements and statements of principle. -- Neil Ulman, The Wall Street Journal, September 27, 1972.

COMMUNITY OF "TEN" OR "EIGHT"?

If they [Norway and Denmark] do spurn membership [in the European Community] after having gone so far as to sign the Brussels treaty, their action will be a severe blow not only to hopes for Western European unity but to the NATO Alliance....Not all opponents of the Common Market in Norway and Denmark also oppose NATO membership. But some of the most active elements in the effort to keep the two countries out of the Community are also ardent neutralists who seek to detach Norway and Denmark from any ties whatever to the West. If they succeed in dealing this blow to hopes for Western European unity their next target will inevitably be the link with the United States in NATO. Much of the responsibility for disenchantment of Danes and Norwegians must rest, however, with the Community itself, and particularly with France, which has done so much to diminish the idea and the ideal of Western European unity buttressed by vibrant supra-national institutions. If it were a democratic United States of Europe....that the two Scandinavian countries were being asked to join, the outcome might be very different. -- Editorial, The New York Times, September 22, 1972

EUROPEAN SUMMIT

PARIS -- President Pompidou, it seems, has agreed to climb down off his high horse and call a European summit meeting after all. But it will not be the kind of summit meeting he wanted it to be....it will not represent a banding together of Europe against what Paris sees as an American offensive in the monetary and trade fields. It will not set up a wall against an unwanted influx of inconvertible dollars. It will not take unilateral steps to change the official price of gold. It will not significantly move forward intra-European coordination to fight inflation. -- Takashi Oka, The Christian Science Monitor, September 14, 1972.

AN AFFAIR BUT NOT MARRIAGE

Stockholm -- Sweden's new relationship with the European Economic Community comes at the end of a long and sometimes almost comic saga Since 1961, Sweden had been toying with the idea of joining the Common Market. It was interested solely in the economic benefits sure to flow from the resultant development of a large European market without trade barriers. But from the outset, the Swedes made it clear that they were not prepared to pay a political price. Until almost the last moment, the Swedes considered that this could be achieved. They believed in the possibility of full membership hedged about with safeguards for their neutrality. This meant signing certain clauses of the Treaty of Rome, which set up the Common Market, but rejecting others. The European Economic Community constantly explained that it would have to be all or nothing.... In the end the Swedes got a trading agreement that fell far short of their hopes. -- Roland Huntford of the London Observer, The Washington Post, September 14, 1972.

SUMMITRY INSTEAD OF SUPRANATIONALITY?

Milan, Italy -- Next month the heads of the 10 governments of the enlarging European Economic Community will gather in Paris for a summit meeting that will symbolize -- or simulate -- a strengthening of the European union.... With the demise of supranationality and the old Jean Monnet conception of a federal state, a United States of Europe, the coming Paris summit meeting may mark not a unique confrontation but the start of summitry as a way of life -- that is, as the basic instrument of Community policymaking. -- Leonard Silk, The New York Times, September 18, 1972.

AUSTRIA AND THE COMMUNITY

VIENNA -- Austria has served notice that its pledged neutrality is no barrier to involvement in the affairs of Western Europe. Chancellor Bruno Kreisky's determination to look westward follows Russia's quiet acceptance of an agreement that gives Austria important tariff concessions in trade with the European Common Market. The Austrians have taken Soviet acquiescence as a go-ahead signal for what could become a valuable dialogue with the enlarged Common Market -- but they also have assured Moscow this means no weakening of the neutrality status accepted by Vienna 17 years ago. Austria has tried for 10 years to gain a foothold in the Common Market, all the time glancing anxiously toward Moscow in fear of a Soviet veto. The trading arrangement with the Common Market could have been threatened if the Soviet Union had chosen to invoke a 1955 Austrian state treaty that bars any form of political or economic union between Austria and West Germany, now a major force in the Common Market. -- Reuter, The Christian Science Monitor, September 20, 1972.

THE COMMUNITY AT THE IMF

Joining the national representatives of European countries at the annual International Monetary Fund/World Bank meeting in Washington September 25-29 was a delegation of 11 officials from the European Community. Among those attending were EC Commission Vice President Raymond Barre, responsible for economic and financial affairs, and Yves Le Portz and Sjoerd Boomstra, European Investment Bank President and Vice President, respectively.

WORTH QUOTING

**If Europe is to speak with a single voice and to participate on an equal footing with the world's great powers in the peaceful solution of universal problems, the voice of the people must be able to make itself heard within European democratic institutions. JEAN MONNET, First President of the European Coal and Steel Community (ECSC) High Authority, Speech at the ECSC Twentieth Anniversary Ceremonies, Luxembourg, September 19, 1972.*

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FIRST CLASS