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## European community: On the path towards restrictions

Intereconomics

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## *Tindemans-Report*

### **Europe à la Carte**

The Belgian Prime Minister's, Leo Tindemans', long awaited report on the future of the European Community, which has been published recently, turned out to be not exactly what you would call a strikingly original document. True, Mr Tindemans is certainly right in acknowledging that the ambitious time-table for the formulation of a "Political Union" until 1980 can hardly be regarded as realistic any longer. This idea, however, had generally been recognized as a pipe-dream long before the publication of the report.

As for Mr. Tindemans' recommendations for future policies, they seem, at first sight, to speak a language somewhat more concrete and practical than that employed hitherto. A closer look at them, however, reveals that, for the most part, they do not differ fundamentally from the conceptions which have been pursued in the past. Consequently they can safely be expected to suffer from the same main problem, the obvious lack of the political will to give up essential parts of national sovereignty in favour of greater executive powers for the EC institutions.

There is just one recommendation that might have a major impact, though an adverse one, on the Community's future development. In contrast with his other proposals which, at least, will not do any harm to the Community, Tindemans' suggestion to accept some kind of a graduated participation in the aspired Economic and Monetary Union could, although not new, help to pave the way for what Tindemans explicitly wants to avoid: a "Europe à la carte", a Community consisting of first class and second class members. So the best thing to do will probably be to forget about Mr Tindemans' masterpiece and pass to the order of the day.

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## *European Community*

### **On the Path Towards Restrictions**

The EC is being confronted increasingly with trade restrictions. Additional special export aids are, as in the British case, not very different from subsidies; so the entire trend is that of massive government intervention in foreign trade to help branches of a national economy which are not only

weakened by recession but unable or unwilling to compete. But Britain is not the only European country which operates protectionism in aid of certain sections of its economy: There is, for example, the spectacular case of French defences against cheap wine imports from Italy.

All the governments and relevant organisations, naturally, agree that protectionism is a dangerous instrument, conducive to general trade restriction all over the world, especially in the present situation of world trade when almost all the national economies and sections of world trade are still suffering from the recession. Such practices might be emulated on a large scale and put the incipient recovery, which is still weak enough, at risk.

The European Commission is in the unenviable situation to have to fight along two opposite fronts at the same time: to defend free trade inside the Common Market and to operate jointly in trade policies towards non-Community countries. As has been seen from the measures taken vis-à-vis its own members, the Community seems to have only the capacity to assimilate nationally-engendered measures and interests. For in spite of the lack of a legal basis, the Commission conceded Britain everything in "communalizing" measures which had been taken onesidedly. On the other hand, the two countries which operated with due moderation and correctly, Eire and Denmark, had to accept decisive cutbacks of their intended measures for import protectionism.

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## *UNIDO*

### **A New Specialized UN Organisation**

UNIDO – the organization of the United Nations for industrial development with the seat in Vienna – has so far been part of its General Secretariat and its tool of practical operations in the field of industrial development aid in the Third and Fourth World. Financially, UNIDO is dependent on UNDP (UN Programme for Development Aid). Therefore all UNIDO projects are tied up with decisions made in New York. This is to be changed now. It was decided during the Lima Conference in March 1975 and at the latest UN General Assembly that UNIDO is to become an autonomous specialized UN organization, receiving its own budget and budgetary powers. This is to serve the purpose to carry out the decisions of the Lima Conference,