



*Bulletin from the*

# EUROPEAN COMMUNITY

BELGIUM, FRANCE, GERMAN FEDERAL REPUBLIC, ITALY, LUXEMBOURG, THE NETHERLANDS

INFORMATION SERVICE • 220 Southern Bldg., Washington 5, D. C.

## TARIFF CUTS EXTENDED New Trade Study Begun

On the eve of the European Community's first internal tariff reduction and quota enlargement due January 1, 1959, the Council of Ministers of the European Economic Community decided that the same tariff benefits be extended to all other member nations of the General Agreement on Tariffs and Trade (GATT) and that the quota enlargement be partially extended on a reciprocal basis to the other members of the Organization for European Economic Cooperation (OEEC).

The Council, meeting on December 3 in Brussels, announced these steps as part of provisional arrangements to counter fears expressed by the other OEEC countries following the breakdown of the Free Trade Area talks which were aimed at linking the other eleven OEEC nations with the Common Market.

At the same time, the Council also asked the Community's executive body, the European Economic Commission, to study possibilities of a long-range solution to the problem of the European Economic Association.

Under the European Economic Community Treaty, the six Community countries are due to take the first practical steps toward their tariff- and quota-free Common Market on January 1. These steps include:

1. A 10-per-cent over-all mutual reduction in tariffs.
2. An over-all mutual increase of 20 per cent in existing quotas.
3. The establishment of minimum quotas at 3 per cent of national production for each product.
4. The globalization of quotas. (For details see page 2.)

At their December 3 meeting in Brussels, the Community's Council of Ministers agreed that member states would take the following additional measures vis-à-vis non-member countries:

1. To reduce by 10 per cent their existing tariffs vis-à-vis all other OEEC members and all other members of

the General Agreement on Tariffs and Trade (GATT), as well as those non-members of GATT which benefit from the most-favored-nation clause. This reduction will not affect ECSC products. It will apply only to tariffs which are at present above the level of the Community's future common tariff; it will be provisional and unilateral, although reciprocal gestures would be welcomed.

2. To make, vis-à-vis other members of OEEC, a 20-per-cent increase in quotas for industrial products at present above the level of liberalization realized under the OEEC Council decisions of January 14, 1955, these increases to be on a basis of reciprocity. One half of this increase, 10 per cent, would be obligatory for each quota. The second 10 per cent would not necessarily apply to each quota but could be concentrated on those products of particular interest to the other countries in question.
3. For agricultural products (on which a standstill agreement already exists) the 20-per-cent quota increase would not apply, but tariffs would be reduced by 10

### IN THIS ISSUE

page	
2	THE COMMON MARKET, 1959
4	NEW SURVEY FINDS ECONOMY VIABLE
6	COMMON MARKET REPORT
8	EUROPE'S SUPREME COURT
10	EURATOM'S FIRST YEAR
12	SOCIAL PROGRESS IN THE COMMUNITY
14	NEWSBRIEFS

per cent on the same basis as noted in item No. 1.

The Council at the same time took note of a declaration by the French representative to the effect that France would on January 1, 1959, bring about a 40-per-cent liberalization of its imports within the OEEC framework. For those products whose liberalization is now between the 40-per-cent level and the 82-per-cent level previously attained, the French Government would bring about a 20-per-cent increase in existing quotas. These French measures would be in addition to the tariff cuts mentioned above.

Meanwhile, the Council expressed its desire to continue the effort for a longer-term multilateral association between the Community and the other OEEC countries, and it charged the Commission, the Community's executive body, to make a thorough examination of the problems and the possibilities of solving them, in permanent contact with the Community's member states. The Commission is to report by March 1, 1959, on its progress in this field and on the common position which may be adopted by the Community.

## THE COMMON MARKET, 1959: What's Ahead for Next Year

The first major steps toward the establishment of a full customs union within the six nations of the European Economic Community—the 10-per-cent tariff reduction and quota increases that go into effect on January 1, 1959—represent only part of the total purpose of the Common Market Treaty. For the European Economic Community will be much more than a customs union; it is the vehicle of a movement toward full integration.

Over the transition period of 12 to 15 years, it must work out and bring into effect common policies for agriculture, transport, and external trade; it must also move toward common economic, monetary, and labor policies. Basically, the Community is headed toward unity, political as well as economic, as the allegiance of all Six during the Free Trade Area debates pointed up with particular vigor.

### *Reduction of Customs Duties*

On January 1, 1959, customs duties on all goods will be cut 10 per cent between member countries of the Common Market. The reduction will affect all products equally. This is the first stage in the total demolition of the six nations' individual customs tariffs to take place by the end of the transition period. The gradual nature of the operation is likely to mitigate its shock to the economies of the Community countries. Even on a relatively high tariff, say of 30 per cent, a 10-per-cent reduction will mean only a cut of three percentage points to 27 per cent.

### *Enlargement of Import Quotas: How It Will Work*

On January 1, all bilateral quotas will be transformed into global quotas. The total value of each country's import quotas will be enlarged by 20 per cent above the 1956 level. There will be a minimum quota increase of 10 per cent for each product. Moreover, all quotas amounting to less than three per cent of the national production level must be raised to the minimum of three per cent.

Here's how this will work: to take a hypothetical example, suppose France imported shoes from only Germany and Italy during the year 1956 and that these shoes were imported under bilateral agreements covering 30,000 pairs of German shoes and 10,000 pairs of Italian shoes. The two bilateral quotas from Germany and Italy would, for 1959, become a single global quota of 40,000 pairs of shoes

(30,000 + 10,000) which France would be able to import from any other country in the Community.

The global quota would then be increased by 20 per cent, bringing it up to 48,000 pairs of shoes, which she would be able to import from any Community country.

But if France's national production of shoes were one million pairs a year, the enlarged global quota would still be less than three per cent of national production. The global quota would then have to be raised to 60,000 pairs to meet this three-per-cent figure. So instead of the total of 40,000 pairs which were imported in 1956, French importers would be free to bring into the country half again as many in 1959—60,000 pairs. The figures in this example are apocryphal, but the mechanics of the system are real.

The facility to spread the quota enlargement unevenly over the various products, subject to the 10 per cent minimum, will enable member countries to increase quotas of goods particularly sensitive to competition by less than the 20-per-cent average. One of the most important areas to be affected by the minimum of three per cent of national production applicable to global quotas will concern vehicle imports into France. Total French import quotas for vehicles from other Community countries today amount to around one per cent of national production. Beginning January 1, these will be trebled.

*The historic meeting between Premier Charles de Gaulle and Chancellor Konrad Adenauer at Bad Kreuznach on November 26 reaffirmed the political solidarity of the Six in the Common Market.*



## **Partnership with the Overseas Countries**

On January 1, the Community countries will lower their customs duties by 10 per cent on products from overseas countries, while those overseas countries which have a customs tariff (French West Africa, New Caledonia, and Oceania) will cut their tariffs by 10 per cent on goods coming from the Community. The overseas countries obligation to make tariff cut, may, however, be waived to meet internal development, industrialization, or fiscal needs.

The Overseas Countries Development Fund set up by the Community will allot part of the funds contributed by the member countries to investments in the overseas countries associated with the Community. The Development Fund, which totals \$581.25 million for the initial experimental period of five years, will be used for social projects such as hospitals, schools, and technical colleges, and for general economic development. (For breakdown of fund, see Newsbriefs, page 15.)

## **The Common Agricultural Policy**

On January 1, customs duties on agricultural products will be reduced by 10 per cent and quotas enlarged in the same way as for other products. During the transition period, however, governments will be able to fix minimum prices for imports from other member countries, in order to avoid disturbance to certain sectors of national agriculture. Each country will be able to suspend or reduce imports of farm products from other Community countries if their prices fall below the minimum levels. Moreover, long-term contracts can be concluded at prices which will move progressively closer to those paid by the importing country to its own producers.

Finally, by December 31, 1959, the Common Market Commission must submit to the Council of Ministers its proposals for the working out and application of a common agricultural policy for the Community. This policy will aim at increasing productivity, raising the living standards of the farm population, stabilizing markets, guaranteeing supplies and assuring reasonable prices to the consumer.

The common organization of markets will be set up according to products. It can be based on common rules of competition, coordination of the national market organization, or organization of the market on a Community-wide scale.

## **For the Workers of the Community**

A start will be made on steps to insure free circulation of workers throughout the Community. Free circulation of workers must be fully in force before the end of the transition period.

This does not mean, however, that any worker will be able to move freely to any other country of the Community *in search of work*. Free circulation is based on two principles: first, the suppression of discriminations based on nationality, particularly regarding wages and working conditions; second, workers in the Community will have the right to go to any other Community country *to take up an offer of employment*. The Commission will work out ways of insuring Community-wide circulation of offers of employment and requests for employment.

The Common Market Commission will complete formulation of regulations for the operation of the European Social Fund which aims at the productive re-employment of workers threatened with unemployment. Money from the fund will be used to cover 50 per cent of the cost of transfers of the labor force, of occupational retraining, and, in the case of closure or reorganization of factories, of making up the wages of workers whose employment is reduced or suspended. Also, regulations allowing social-security benefits to be retained by migrant workers, in whatever part of the Community they may be working, will come into force at the beginning of 1959.

## **The Right of Free Establishment**

By December 31, 1959, the Commission must submit its proposals to the Council of Ministers for abolition of restrictions on the right of establishment and the supply of services. These proposals are intended to form the basis of measures to be brought into force in 1961 to insure the right of establishment and freedom to supply services anywhere in the Community by the end of the transition period.

Freedom of establishment will enable nationals of one Community country to engage in activities other than wage-earning activities, to set up and manage firms, and to establish branches or agencies on the territory of another Community country. Measures will be taken during the transition period to bring about mutual recognition of diplomas and other qualifications and to coordinate the various national regulations on the right of establishment.

Freedom to supply services will allow nationals of one member state to carry on, in any of the Community countries, activities in the fields of insurance, banking, distribution, the liberal professions, and the various crafts. Lawyers, members of the medical profession, and architects will thus be able to practice in any part of the Community.

## **HIGH AUTHORITY BONDS**

### **NOTICE TO HOLDERS OF HIGH AUTHORITY 5½ PER CENT SECURED BONDS (SEVENTH SERIES), DUE APRIL 1, 1975, AND 5 PER CENT SECURED BONDS (ELEVENTH SERIES), DUE JULY 1, 1978:**

The High Authority hereby gives notice to holders of the bonds above mentioned that a revised text of the particulars given under "Loans granted to enterprises from High Authority's borrowings" on Pages 22 and 23 of its prospectus dated April 9, 1957, and on Pages 24 and 25 of its prospectus dated June 24, 1958, has been published for their guidance. The revised text brings those particulars up-to-date as of June 30, 1958. Holders of such bonds may obtain this revised text from:

THE CHASE MANHATTAN BANK  
CORPORATE SECURITIES DIVISION  
43 EXCHANGE PLACE  
NEW YORK, N. Y.

or THE HIGH AUTHORITY  
OF THE EUROPEAN COAL AND  
STEEL COMMUNITY  
LUXEMBOURG

# NEW SURVEY FINDS COMMUNITY ECONOMY VIABLE

## COMMON MARKET STUDY FORESEES EXPANDING EXPORTS

The European Community is the world's largest importer of raw materials. It is in process of becoming the world's largest exporter of manufactured products. This is one of the main conclusions put forth by the massive five-volume *Report on the Community's Economic Situation* published by the Common Market Commission. The report indicates the importance of the commercial policy which the Community will have to apply, and the scope of the contribution it will be able to make to the stabilization of world markets and to the continuing progress of underdeveloped countries.

The Commission's survey, which is complementary to its *First General Report on the Activities of the Community* analyzes the structure and the long-term tendencies of the economy in each of the six Community countries and includes a study of the associated countries and territories. Another main conclusion is that while the structure of agriculture differs very widely from one country to another and even within single countries, the structure of industry and the level of industrial productivity are remarkably similar throughout the six nations.

*The following summary of the survey was prepared by Pierre Uri, Director of the High Authority's Economics Division, who directed the preparation of the report.*

When the Common Market Treaty came into effect January 1, 1958, the postwar reconstruction period, with its production recovery and its large-scale influx of refugees into Germany, was already coming to an end. Still, all Community countries maintained a policy of expansion based on growing investments and full employment, together with the greatest possible dismantling of direct controls and the freeing of trade.

Except in Italy, the level of real income per capita is very similar in all Community countries, and even the difference between Italy and its partners is less than that between northern and southern Italy. The Community average has already reached 50 per cent of that in the United States.

As the Community's economy develops, the proportion of the population employed in agriculture decreases. It remains high in Italy and France, less high in Germany and Luxembourg, and in Belgium and the Netherlands it is less than 12 per cent. Employment in industry is growing, especially in Germany where it has risen by more than one third since 1950. The proportion of the population employed in services is particularly high in France, Italy, and the Netherlands.

### **Similar Industrial Structure—**

#### **Diverse Agricultural Pattern**

The industrial structure in all the Community countries (except Luxembourg with its concentration on the steel industry) is remarkably similar, especially between Ger-

many and France. Throughout the Community, the capital-goods industries are developing proportionately more than consumer-goods industries, and the engineering industries more than food or textile industries. As a whole, each country's proportion of the Community's total industrial production is almost exactly the same as its proportion of the Community's industrial-labor force.

The structure of agriculture, on the other hand, differs widely within the Community, with many different crops, different production levels, different employment levels, and different working methods. This fact might cause grave concern, were it not that on the one hand, climatic differences act as a brake on competition in many agricultural products, while on the other hand, the differences between various regions inside one Community country are still greater than those between the countries themselves.

For the Community as a whole, now that major unemployment and under-employment have largely been overcome (except in Italy), increased production depends essentially on increased productivity. This has been remarkably constant between different Community countries during the last five years. Since productivity depends on technical progress and the gradual concentration of manpower in branches of industry which are expanding and capable of improving their efficiency, it is likely that the most substantial progress in coming years will be made by those countries with the largest number of people who could usefully transfer from agriculture, in which their productivity is lower, to industries or services where there is no over-employment or disguised unemployment.

### **Regional Market Differences**

Regional differences are greatest within those countries with the largest area and with the largest part of it devoted to agriculture. Despite decentralization efforts of the German Federal Government, the traditional industrial regions, especially the Ruhr, still attract surplus manpower. In France, there is excessive concentration in the region of Paris and an over-all difference between those parts of the country on either side of a line drawn diagonally from the southwest to northeast. But the most serious problem is the contrast between the north and south of Italy. The Common Market must aim at speeding up development in less favored regions to bring about not only economic integration of the different Community countries but also economic integration of the different parts of the Community countries themselves.

### **The Community in World Trade**

Trade with the outside world differs considerably from one Community country to another. Imports represent between one third and one half of the national product in the Benelux countries, 20 per cent in the Federal Republic of Germany, and from 10 to 15 per cent in France and Italy. The cost of these imports is covered mainly by visible ex-



*Increasing trade with the Community is symbolized by bustling activity along world's largest quai at Le Havre*

ports in the case of Germany, Belgium, and Luxembourg, while tourism and the sale of services play an important role in Italy and the Netherlands. For France to safeguard its balance of payments, the report declares, it seems necessary for visible exports approximately to cover visible imports.

For all Community countries, primary products (such as foodstuffs, raw materials, and energy) make up some 70 per cent of total visible imports. Industrial products make up three quarters of the Community's total exports; but the proportion here differs greatly from one Community country to another.

Trade between member countries of the Community accounts for nearly 30 per cent of their imports and nearly 40 per cent of their exports. Half of their individual imports of manufactured products come from other Community countries.

Trade with associated countries and territories is not at present highly developed except in the case of France, which draws about one third of its imports from its overseas partners. The Belgian Congo accounts for some five to eight per cent of Belgium's external trade. One effect of the Common Market should be a great increase in trade between Community countries and overseas countries and territories.

Judging from the experience of both the Benelux union and the reductions of customs duties in Germany, the Common Market should not only stimulate trade as a whole but also encourage specialization, especially in manufactured products.

### ***Prices and Finance—High Public Spending***

Between 1953 and 1957, the movement of prices has been roughly parallel in all Community countries although only France imposes direct controls on prices of most industrial goods. In other countries, with the exception of certain

essential goods or services, price control in this field is limited to indirect controls, such as supervision of trade agreements and a liberal trade and tariff policy.

Controls are applied everywhere in those fields which are not subject to competition from outside or which have been deliberately sheltered from it. This is particularly so in the case of agriculture, housing, and transport. Policies of the six countries tend to favor price support for agriculture rather than price restriction, together with various degrees of market management. Housing rents are free only in Belgium and for some new buildings in Italy. Transport is controlled in all the Community countries, but different countries apply very different policies in such matters as price structures and the coordination of different means of transport. These differences will only be resolved by the application of new and more rational principles in the Community as a whole.

Public spending is high throughout the Community, especially in France, Germany, and the Netherlands, accounting for 25-30 per cent of the gross national product. A large part of this expenditure consists of redistribution of wealth in the form of aid, allowances, and subsidies. The proportion of direct taxes and social-security contributions compared with indirect taxes (taxes included in prices and employers' social-security contributions) varies greatly from one Community country to another. Indirect taxation is particularly predominant in France and Italy.

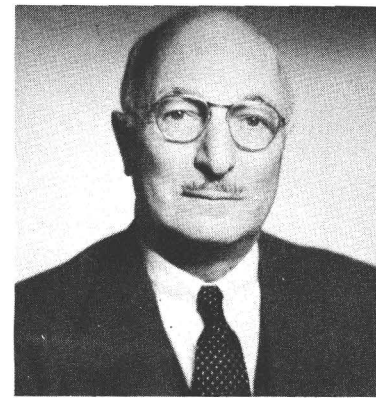
Throughout the Community, public finance contributes to investment expenditure—capital spending on the part of the State in its own right, direct loans and capital transfers or the release of budget surpluses which had been used to check the expansion of credit in the private sector. The former system is typical in France, the latter in Germany. Public savings and enterprises' own resources are at present the two major sources of finance in the Community countries. Other sources include external credits and, in the

case of France, the return of capital from the associated overseas territories. Loan issues are increasing throughout the Community but on a modest scale so far. One of the tasks of the Common Market will be to develop an adequate money market on a six-country basis.

### ***Two Major Tasks Ahead***

If at present the Community faces the problem of the French balance of payments deficit and the German surplus, such a problem cannot be considered structural. The expansion and re-orientation of French production should make possible increased exports which are the only workable solution of France's balance-of-payments problem; while the German budget surpluses, which have helped to maintain a balance-of-payments surplus, have been due in particular to expenditures lagging behind estimates. The fact that the Common Market Treaty covers goods, services, and labor and includes the overseas countries and territories could help restore equilibrium to payments' balances.

In the longer term, the Community will have two major tasks: First, it must speed the development of those regions within the Community which are at present less favored economically; second, through a policy of stability and expansion based on the Community's economic strength, it must make a decisive contribution to the progress of under-developed countries beyond its borders and, thereby, to the political destiny of the world.



### **ZELLERBACH LAUDS COMMON MARKET**

James D. Zellerbach, U. S. Ambassador to Italy, boosted the Common Market in a speech before a group of business executives in Chicago last month. "The commitment of six nations to the course of action set forth in the Common Market Treaty is beyond doubt one of the most important events which have taken place in Western Europe in this century," he said.

Giving credit for the impetus for a Free Trade Area to the creation of the Common Market, Ambassador Zellerbach took a sanguine view of the future. "If the Common Market program fulfills its promise," he said, "that may prove to be a significant turning point in history."

## **COMMON MARKET REPORT    New Prosperity Predicted**

The creation of the Common Market has opened up a new future for Europe and promises new possibilities for the progress and prosperity of its people, the first annual report of the European Economic Commission declared.

It said that the task of the Community's institutions is not merely to carry out a series of technical measures for the removal of barriers to the movement of goods, workers, capital, and services. The institutions must also act as a dynamic force to hasten the creation of a common policy in which existing national economic policies will be drawn together.

### ***Removal of the Barriers***

Of the measures to merge the Community's national markets, the first tariff reduction of 10 per cent between the member states, due to come into force on January 1, 1959, is not expected to raise special difficulties. The increase of quotas, however, is a more complex task, and the Commission has been meeting with experts from the six governments in order to insure that the treaty's provisions are applied in as uniform and equitable a way as possible.

The Commission is also working intensively on the Community's external-tariff program and is currently preparing for negotiations on the all-important "List G" which covers those products on which the level of the common external

tariff is to be fixed by negotiations between the member states.

On the free movement of capital and services, the report underlines the Commission's intention to avoid distortions and deflections in capital movements during the transition period as a result of continued differences between the various national regulations. At the same time, the Commission is anxious not to add to the already-numerous existing controls and will urge the adoption of the most liberal possible measures.

### ***Restrictive Trade Practices***

The Common Market Treaty lays down the broad principles of free and healthy competition in the Common Market and states that the detailed regulations for their application must be ready by the end of 1960. The Commission's belief is that the general rules of the treaty are, however, already enforceable (Articles 85-89) and that they permit action against cartels by the Commission and by competent national authorities. However, a decision by the Court of Justice will be needed in this matter. One of the difficulties is that while France, Germany, and the Netherlands have anti-cartel legislation, Belgium, Italy, and Luxembourg do not. Failure to apply the treaty articles would therefore imply discriminatory treatment pending the working out of detailed regulations.

## ***Toward a Prosperous Agriculture***

The report summarized the results of the Agricultural Conference of member states held at Stresa last July and set forth as a basic principle a policy to avoid increasing production of agricultural commodities for which market outlets are limited. It stated the Commission's intention of making a comprehensive study of possibilities for developing production as well as an analysis of the prospects for developing consumption. This will indicate the direction in which the future development of production should be guided.

The Commission stated that the starting point for Community action should be to reduce differences in the price of basic agricultural products. Vast investment programs will be necessary, it said. The family farm, nevertheless, is still regarded as the system which best meets the political and social needs of the Community.

## ***A Policy for Labor***

On social policy, the Commission stated its intention of continuing to cooperate with the High Authority, the European Parliament, the Economic and Social Committee, and the International Labor Office. It plans comprehensive surveys of labor laws, wages, working hours, and of the labor market in general. It will promote the mobility of labor, aid in the coordination of vocational training, and set up an exchange program between the member countries. It has already secured the adoption of a social-security convention for migrant workers based on the ECSC's convention for coal and steel workers.

## ***Partnership with Africa***

The Commission reported that the Council of Ministers has already approved in principle its proposals for the Overseas Development Fund. Member governments and

local authorities have been asked to submit a list of projects for which they require aid. For territories linked with Belgium and Italy, and some of the territories of the French Community, these projects have already been submitted to the Commission.

Work on customs arrangements and the right of establishment of enterprises is in progress, and two-way study visits between the Commission and officials of the overseas countries and territories are planned. The Commission has been invited to visit the Belgian Congo.

The Commission has already started systematic economic studies of the associated countries and territories in order to facilitate investment and to aid the gradual adaptation of their production—for example, that of coffee, cocoa, bananas, and oils—to European and world requirements. By associating the overseas territories with the Common Market, the report said, the Community's member states have shown their awareness of the duty which highly industrialized nations have toward the less developed countries.

## ***A Community Open to the World***

The report stressed again the "open and outward-looking" nature of the Community. The Common Market is not intended to isolate the six member countries from the rest of the world; economic progress demands that the Community shall be exposed to outside competition, the report stated.

The report described continued discussions in GATT, with which it is in constant contact, and its relations with the Council of Europe, the United Nations Secretariat, and the Economic Commission for Latin America. The Commission declared that it will welcome the establishment of diplomatic missions from non-member countries similar to that which has already been accredited to the three communities by the United States.

*The European Community today is the world's largest importer of raw materials*



# 8 EUROPE'S NEW SUPREME COURT

## Donner Heads Expanded Court of Justice — Six-Year History Reviewed

The scope of international jurisprudence was broadened in Western Europe last fall when the new Court of Justice of the European Communities came into being. The Court will sit for the three European Communities—Coal and Steel, Common Market, and Euratom. The seven justices and two court advocates were sworn in at a public ceremony in Luxembourg on October 7 attended by their Royal Highnesses Prince Jean and Princess Josephine-Charlotte of Luxembourg, notables from the three Communities, and representatives of the legal profession from the six member nations.

The new Court replaces the original Court of Justice of the European Coal and Steel Community. It will serve as the judicial body in the federal structure of the Communities, providing a court where appeals may be brought against decisions of the Communities' executive bodies.

Heading the Court is a youthful Dutchman, A. M. Donner. Born January 15, 1918, in Rotterdam, Mr. Donner has, since 1945, served as professor of public and administrative law at the University of Amsterdam. For the past 10 years, he has also been president of the Netherlands Association for Administrative Law and vice president of the Council of Teaching. He was elected a member of the Royal Academy of Sciences in 1955. An honors graduate of the University of Amsterdam, Mr. Donner took part in resistance operations against the enemy during the Occupation of World War II.

Four members of the new Court were held over from the earlier Court of Justice which functioned for the Coal and Steel Community. They are: Louis Delvaux of Belgium, Charles-Léon Hammes of Luxembourg, Otto Riese of Germany, and Jacques Rueff of France. The two new members appointed to the Court are: Nicola Catalano and Rino Rossi, both of Italy. Maurice Lagrange of France and Karl Roemer of Germany, who were the advocates in the previous Court, will serve in the same capacity to the new Court.

### 97 Appeals in Six Years

During slightly less than half a dozen years (its sixth anniversary would have fallen on December 10), the original Court of Justice for the European Coal and Steel Community, under the presidency of Italian jurist Massimo Pilotti, received a total of 97 appeals. From among these, 27 judgments were handed down, covering 35 appeals; two stays of execution were granted; and 15 appeals were withdrawn. The remaining 45 cases have been carried over to the new Court.

Most (19) of the pending cases comprise appeals by the German government and various German firms against High Authority decisions abolishing certain special transport rates in Germany which had been considered discriminatory. Eight other appeals concern the thorny question of what constitutes "own waste" and its liability to the Community scrap-compensation levy. Six cases are French ap-

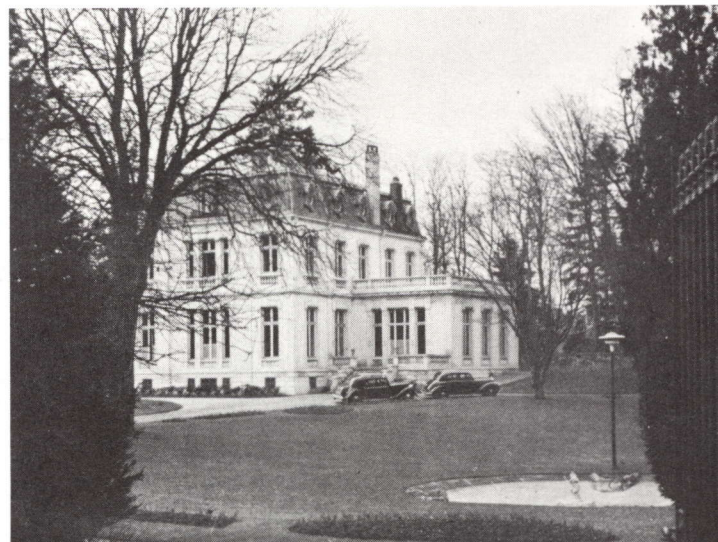
peals, three against other German transport rates alleged to be discriminatory, and the other three against a High Authority decision to abolish certain French transport rates. Five more cases concern the legality of High Authority decisions on arrangements for scrap-import compensation, and two others have been entered by firms which contest their individual liability to the scrap-compensation levy.

### Revised Statute of Limitations

The high number of appeals before the former Court came about partly because of the one-month statute of limitations imposed by the Coal and Steel Community Treaty. Many appeals were therefore lodged in order to get in under the deadline of appealing within a month of a decision, even though out-of-court settlements were already in process of preparation. This invitation to docket-crowding has been modified in the Common Market and Euratom Treaties which permit a two-month time limit for lodging an appeal after a decision has been handed down.

Appeals to the Court can be entered by the government of a member country, by any of the institutions of the Communities, by private firms and associations, or even by individual Community officials. The juridical procedure used during the past six years by the ECSC Court has been similar to that of the International Court of Justice at The Hague. There are three parts to the procedure: first, the written presentation limited to two exchanges of documents by the parties concerned; second, a judicial investigation; and third, the oral proceedings, including a public hearing of the attorneys, conclusions reached by the court advocate, and the final judgment of the Court. All of the Court's judgments since 1953 have been published in the Community's *Journal Official* and in the *Jurisprudence de la Cour*. Like the decisions of the U. S. Supreme Court, the findings of the European Court of Justice are final. Appellants cannot seek recourse to national courts.

*Grace and dignity are reflected in the Villa Vauban, headquarters of the Court of Justice in Luxembourg.*







President Donner takes his oath of office as Europe's new "supreme court" is born. Left to right: Rino Rossi, Jacques Rueff, Otto Riese (under raised arm), Professor A. M. Donner, Louis Delvaux, Charles-Léon Hammes, Nicola Catalano.

## Cases in Point

Cases have varied widely but in every instance the decision of the Court has been respected. In 1954, the French and Italian Governments along with two major Italian steel concerns objected to a temporary decree of the High Authority which would have allowed certain sellers the right to revise established prices up or down, within a 5-per-cent bracket, and keep these changes secret. The case was heard by the Court of Justice which overruled the action of the High Authority.

The following year, the Netherlands Government took an appeal to the Court against the High Authority's decision to fix maximum prices for coal in the Ruhr (Western Germany) and Nord et Pas-de-Calais (France) coal fields. The Dutch Government claimed that the fixing of maximum prices was not only unnecessary but illegal. The Court on March 21, 1955, ruled against the appeal.

Several of the appeals to the Court have been made by employees of the Coal and Steel Community against internal decisions of various Community institutions. In some cases, the decisions were annulled by the Court and the institution has been condemned to pay damages. In others, the appeals have been rejected. Each has been considered and dealt with on its own merits.

## The Court's Jurisdiction

The broader legal aspects of the Court can be divided into two main categories. The first concerns internal legal

problems relating to the Court's jurisdiction, the protection of private interests, determination of the applicable law, and interpretation of the treaties. The second category involves what may be called "external problems." These include relations between member countries, the international "personality" of the Communities as reflected in their judicial functions, the relation between Community law and international public law, and finally the supranational character of the Community.

Internally, the Court resembles an administrative tribunal in French law. Two kinds of appeals can be lodged with it: the "appeal for annulment" and the "appeal to its general jurisdiction." In the first case, the Court may only annul or decide not to annul a decision of one of the Community institutions. In the second case, it can take any measures that it deems fit. Appeals for annulment can be based on four traditional grounds (also found in French administrative law): (1) "lack of legal competence"; (2) "major violation of procedure"; (3) "violation of the law" in the case of the treaties or of any rules relating to their implementation; and (4) "misapplication of power," which in French law is known as *détournement de pouvoir*. This last appeal is the channel open to firms and associations. Member governments and Community institutions can appeal on any of the four grounds. All, however, can also appeal in cases where the executive body has failed to act—the High Authority in the case of Coal and Steel or the particular Commission in the case of Euratom or the Common Market.

## *Operating as an International Tribunal*

In addition to the administrative aspects of its work, the new European Court of Justice will also operate as an international tribunal to settle disputes between member nations concerning the application of the treaties. Power to act is given to the Court by Article 95 of the UN Charter which provides that nations may entrust the settling of their mutual disputes to tribunals *other than* the International Court of Justice in The Hague.

The ECSC Treaty provides that "any dispute among member States concerning the application of said Treaty which cannot be settled by another procedure provided for in the Treaty may be submitted to the Court at the request of one of the States which is a party to the dispute." A further article in the treaty provides that member states shall bring such disputes before the Community Court rather than any other tribunal. The treaties creating Euratom and the EEC use identical language: "Any Member State which considers that another Member State has failed to fulfill any of its obligations under this Treaty may refer the matter to the Court of Justice."

All three treaties make it clear that the Communities shall be considered "legal persons." And in this respect, they have exercised several important functions, including the conclusion of agreements with non-member countries, the exercise of rights of active and passive legislation, the establishment of contacts with international organizations, the adoption of decisions that are legally binding on member countries, and the issuance of sanctions against member countries failing to obey the laws as interpreted by the Court.

That the Court possesses a large measure of independent status on the European scene and that the rules of international law are applicable to it are obvious conclusions to be drawn. Wherever the treaty does not specify but appears to endorse concepts drawn from the national law of its member states, the Court seeks to apply legal principles universally accepted and expressed in the national law of the member nations.

### *How Did the Court Come Into Being?*

In forming the structure of the three European Communities, statesmen from the six member countries recog-

nized the need for executive bodies independent of the individual countries. To maintain parliamentary control over the executive, the 142-member Parliamentary Assembly was established. Equally necessary was the assurance that rules of law in Community affairs be formulated and adhered to. Thus, what was needed was a supreme tribunal which would function independently of member governments and whose judgments would be final and binding in all matters brought before its jurisdiction.

It was for this reason that the ECSC Treaty set up the Court of Justice consisting of seven judges, each appointed for a term of six years. The members were to be selected among the member governments, with the emphasis on finding persons of recognized independence as well as legal competence.

The same principles hold true for the new, broader Court of Justice of the European Communities. Here the joint Court of Justice also consists of seven justices, one of whom serves as President. The scope of the Court has been based on the responsibilities detailed to the earlier Court in order to "insure observance of law and justice" in the interpretation and application of all three Community treaties.

### *Legal Status Debated*

The precise legal status of the Coal and Steel Community has long been debated, and further discussions along the same lines regarding Euratom and the Common Market may be anticipated. There are those who have argued that because such Communities have been created by international treaty, they therefore are international organizations. Others have seen them as creations of joint municipal law, simply replacing the law of member states whenever such law may overlap the Communities' jurisdiction. Yet a third group considers each of these Communities as a federal institution whose law is comparable to that of a federation or confederation such as the United States or Switzerland.

Actually, ECSC, Euratom, and EEC do not fit easily into any of these three categories. They are special organizations unto themselves. They may not be regarded as fully supranational institutions. Nonetheless, the joint Court of Justice, with its legal authority and its power to act, represents most clearly the supranational characteristics underlying the basic European Community idea.

## **EURATOM'S FIRST YEAR**

The mandate of Euratom, which is to speed the peaceful development of the atom in the European Community, has been widely exercised in the first nine months of the European Atomic Energy Community's existence, according to the first annual report of the Euratom Commission which was submitted to the European Parliament at the end of October.

Research, industry cooperation, safety and control, and

## **Report Reviews Basic Advances**

external relations are all spheres in which Euratom has made basic advances prior to the opening of the nuclear common market on January 1, 1959.

### *Triple Advance In Research*

The Euratom executive has made a three-pronged advance in the field of research. The first step has been to survey and coordinate research programs planned or already un-

der way in the six countries. The second step has been to map a \$100-million, five-year joint research program for reactor development with the United States, and the third move has been to inaugurate Euratom's own research program. Plans for setting up a Community research center as specified in the treaty are well advanced. The Community's plans have already reached an advanced stage for: the study and construction of new reactor prototypes; the study of fusion; radio-isotopes; health protection: documentation and training; and the establishment of a nuclear bureau of standards. Another subject upon which the Commission is now working deals with the procedure for dissemination of technical information.

### **Industry and the Nuclear Common Market**

The work involved in drawing up a report entitled *The Situation of the Community's Nuclear Industries*, published by the Community last June, enabled the Euratom executive to make its first official contacts with the Community's nuclear industries and to lay the basis of nuclear statistics. In the field of general energy studies—including Community-wide reports and forecasts—the Euratom Commission is already working in close relationship with the High Authority of the Coal and Steel Community which is charged with special responsibility for a general European energy policy.

Finally, the Commission is currently encouraging among nuclear industries in the Six the idea of an "atomic industrial forum" similar to the organization of the same name which exists in the U. S.

### **Supply Agency's Statutes Drafted**

The Euratom Commission has worked out a draft statute for the Community's supply agency which will have an option on all uranium ore and fissile materials produced in the Community, the exclusive right to conclude import contracts, and sole ownership of special fissile materials such as enriched uranium. The agency will be under the supervision of the Commission, but it will be operated along commercial lines. The Commission plans to associate all sides of commerce and industry with the agency's activities by setting up a special consultative committee.

### **Inspection, Security Control, and Health Protection**

The Commission said it has started working out details of its inspection and control system designed to insure

that fissile materials intended for the production of nuclear power is not diverted to other uses. The control system has been accepted by the United States for the joint program to be set in motion under the cooperation agreement between Euratom and the U. S.

Basic rules for health protection are ready and will be submitted to the Council of Ministers before January 1. (See Newsbriefs, page 16.) In this field the Commission expressed the view that there is much to be gained by establishing close contact with other nuclear agencies such as the OEEC's Nuclear Energy Agency.

### **Cooperation with Other Countries**

The report stressed the Agreement for Cooperation with the United States for building nuclear power plants in the Community producing one million ekw of energy and for a 10-year joint research program. It also mentioned current negotiations with Britain to cooperate in the development of natural uranium reactors and thus benefit from the experience of the country most advanced in this field.

Euratom has already established relations with the International Labor Organization, the Council of Europe, the International Atomic Energy Agency, and the OEEC's European Nuclear Energy Agency. It participates in the latter's Eurochemic Company; it has decided on financial participation in the construction of the Norwegian reactor at Halden; and it is considering participation in the building and operation of the high-temperature, gas-cooled reactor which Britain plans to construct.

## **EURATOM INVESTMENT-PROJECT REPORTING FORMS ESTABLISHED**

Acting on behalf of the Euratom Commission, Paul de Groote on November 5 signed a regulation defining the method of reporting investment projects to the Commission as prescribed by Article 41 of the Euratom Treaty.

According to the treaty, any investment projects relating to certain new facilities, replacements, or conversions shall be reported to the Commission not later than three months before work is to begin.

The reports must be submitted by all persons and enterprises connected with the 13 branches of industry specified in Annex II to the treaty and having or planning to have plants within the Community countries. Reports of firms whose main offices are outside the Community must be submitted by the local management. Reporting firms are also required to notify the Commission of any subsequent modifications of the original plans.

Models of the form to be used in reporting investment projects are available from the EUROPEAN COMMUNITY INFORMATION SERVICE, 220 Southern Building, Washington 5, D. C.

## **EURATOM AGREEMENT IN ENGLISH**

Copies of the agreement signed in Brussels November 8 between the United States and Euratom are presently available in an official English version. They may be obtained free of charge from the EUROPEAN COMMUNITY INFORMATION SERVICE, 220 Southern Building, Washington 5, D. C.

## THE ECONOMIC COMMISSION REPORTS ON:

## SOCIAL PROGRESS IN THE COMMUNITY

To facilitate its task of improving living and working conditions in the member countries, the European Economic Commission has produced a balance sheet of the present social situation as an annex to the Commission's first annual report,<sup>1</sup> submitted to the European Parliament by the Commission's President, Walter Hallstein, at the end of October. In it the Commission examines the progress made in various directions by separate national governments before the creation of the new Community and pinpoints some of the problems now to be faced. (See News-briefs, page 14.)

The population of the Community is at present just over 165 million: three times as great as that of the United Kingdom, almost the same as that of the United States, and only one fifth less than that of the Soviet Union. It is expected to increase by about one million a year, reaching a total of more than 173 million by 1965.

TABLE I: POPULATION (in thousands)

	1958	1965 (est.)
Belgium	9,027	9,103
France	44,289	45,716
Germany (Fed. Rep.)	51,832	55,310
Italy	48,594	50,740
Luxembourg	315	320
Netherlands	11,096	11,914
TOTAL	165,153	173,103

**Favorable Employment Prospects**

At the beginning of the year, 96.4 per cent of the Community's working population was in employment. The only black spot was Italy with an average unemployment rate of 8.3 per cent. But there the problem was concentrated in the largely agrarian south characterized by overpopulation and severe unemployment. In the industrialized north, on the other hand, there was almost full employment. In none of the other five countries of the Community was there more than an average of 2.6 per cent unemployment.

In recent years the general level of employment in the Community has risen steadily, by about 1.5 per cent per year. The greatest increase has been in the Federal Republic where employment jumped 5.8 points in two years, using 100 as the base for 1955. Luxembourg also showed a healthy rise.

TABLE II: EMPLOYMENT

	1955	1956	1957
Belgium	100	101.8	102.4
France	100	100.6	101.1
Germany (Fed. Rep.) <sup>1</sup>	100	103.5	105.8
Italy	100	101.1	102.2
Luxembourg	100	102	103.3
Netherlands	100	101.8	102.9
Community average	100	101.8	102.9

<sup>1</sup> Excluding the Saar.

Unemployment has fallen at the same time, even in Italy where certain factors might have pointed to its increase (Table III). The general employment prospect for the next few years is also favorable, even if trends since the end of 1957 seem to suggest a decline in the rate of economic expansion. Development plans and investment programs point to a new increase in the level of employment, though it is not expected to be as rapid as in recent years.

TABLE III: UNEMPLOYMENT

(average annual level in thousands)

	1955	1956	1957
Belgium	116.5	91	77.9
France	300	150	140
Germany (Fed. Rep.) <sup>1</sup>	935	765.8	669.2
Italy <sup>2</sup>	1,913	1,937	1,757
Luxembourg	nil	nil	nil
Netherlands	41.4	30.3	41.4

<sup>1</sup> Including the Saar

<sup>2</sup> OEEC figures

**Changing Distribution of Work**

At present, almost a quarter of the Community's labor force is employed in agriculture, though the proportion varies considerably from country to country. In Italy it is as high as 38.5 per cent, while in Belgium it is only 10.2 per cent. A trend away from agriculture has already been evident for some years, however, and this is likely to be accentuated in the future, especially in Italy and France.

**Toward the Free Movement of Labor**

Among the serious problems which the Community will have to face are the obstacles in the way of its declared object of freeing the movement of labor between member countries. At present, this is strictly controlled by labor permits. These are usually issued only for a maximum period of 12 months and for those forms of employment where there is a known shortage of labor. The single major exception—in force since March, 1957—has been the common labor market of the Benelux countries. Certain categories of skilled workers in the coal and steel industries may also now move freely, following the ECSC agreement, using the International Labor Card.

In spite of these barriers, there has, however, been an increase in movement of labor within the Community, notably from Italy to other member countries.

**Real Wages Rise**

In recent years there has been a general rise in nominal hourly wages in Community countries, most noticeably in the years up to 1957. The greatest increase since 1953 has

<sup>1</sup> *Exposé sur la situation sociale dans la Communauté à l'entrée en vigueur du Traité instituant la Communauté Economique Européenne* (Common Market Commission, Brussels, 1958).



*Increased employment and higher wages mean a happier Christmas for families of European workers*

been in the Netherlands (47 per cent), closely followed by France (42 per cent). The smallest rise was in Italy (22 per cent). The increase has been fairly general in all sectors of industry, though German miners have benefited more than other sectors (an increase of 43 per cent) while workers in the leather industry in the same country had a less-than-average increase (22 per cent).

The report says real wages too have increased as price increases have been less than gains in nominal wages.

### **Working Hours Fall**

There has also been a reduction of hours of work in the same period, particularly in the Federal Republic, Belgium, and Italy. In most industries in the Federal Republic, the 45-hour week has been introduced, without any reduction in wages; and in certain important sectors in Belgium—such as electricity, chemicals and banking—fewer than the average 45 hours are now worked. In Italy for the first time there has been a reduction in working hours without loss of salary. Altogether, 300,000 workers have benefited from this, and some of these now have a 40-hour, five-day week.

### **Increasing Social Security**

There has also been a steady increase in all member countries in the range and benefits available under social security. More and more sectors of the population have been brought within the purview of such programs.

Within the six countries, two main theories have underlined these developments. Some have developed as schemes of social insurance, while others have been directed toward a wider aim of general social security. The difference in theory is that the first type covers only certain specific risks for particular groups of workers, while social-security programs aim at a general protection against a wider range of risks and are open to all citizens.

These theoretical differences have not in practice, however, had a great deal of effect on the actual operation of these schemes. In all the six member countries, coverage now includes sickness, maternity, death, disablement, old age, accidents during employment, occupational diseases, unemployment, and family allowances. A study by the High Authority of the situation in the coal and steel industries

shows the average employer's contributions as a percentage of total wages.

**TABLE IV: EMPLOYERS' CONTRIBUTIONS TO SOCIAL SECURITY IN THE COAL AND STEEL INDUSTRIES**

	Coal Mines	Steel Industry
Belgium	20.9%	16.6%
France	38.6%	27.7%
Germany (Fed. Rep.)	24.7%	21.6%
Italy	42.1%	32.2%
Luxembourg	none	18.4%
Netherlands	38.5%	24.4%

### **More and Better Homes**

In all the Community countries great efforts have been made since the war to deal with the housing shortage caused by wartime destruction and increases in population.

All governments have been active in this field. Last year the Federal Government financed the building of more than 50,000 houses for refugees from the Eastern Zone in areas where jobs were available; of the total of 550,000 houses built in 1957 about half benefited from the state's financial help in the form of large loans at low rates of interest. The Italian Government has financed the construction of some 95,000 houses for the homeless since the war. In some cases, special housing programs have been sponsored to attract workers to a particular industry; this has been the case in both France and the Federal Republic. In the Federal Republic 25,000 houses have been financed out of a special surtax on the price of coal.

### **More Social Legislation**

State intervention on behalf of social legislation has greatly increased since the war, notably in regard to wage policies and working conditions. In all countries, trade unions and professional bodies have been increasingly active in the negotiation of collective agreements. The study examines the present situation in the various countries and notes that one of the tasks of the Community is the progressive harmonization of legislation in this field.

## Newsbriefs

Coal & Steel Community  
EURATOM  
Common Market

### Freedom for Scrap Market

From December 1 and for the first time since the ECSC was set up, imports of scrap into the Community have been free from special financial regulations. This resulted from the failure of the Council of Ministers to agree unanimously to High Authority proposals for replacing the price-compensation arrangements for scrap imports which ran out at the end of November.

When the Community was set up, the shortage of steel scrap in the six countries and the high cost of imported scrap led the High Authority to introduce a financial mechanism to avoid a sudden rise in scrap prices toward the level of import prices, which in turn would have sharply increased steel prices. A compensation scheme was set up by which the cost of imported scrap was reduced to the level of home scrap by means of a levy on all usage of the latter. Shortcomings in the scheme were amended by the High Authority in January, 1957, when it introduced penalty rates of levy for increases in scrap usage above the level of a fixed reference period. This decision aimed at discouraging excessive scrap consumption and investment in new steel-making processes needing large amounts of scrap.

In view of the changed market conditions this year, the High Authority proposed a new modification of this system which began December 1. The compensation scheme for imported scrap was to be abolished in its existing form and only restored in the event of a new boom, while a new mechanism to encourage greater use of pig iron was to be introduced.

These were the measures on which the Council failed to agree. (The United Kingdom Government also abolished price control on scrap as of November 1 of this year.)

### Toward Direct Election for European Parliament Members

The European Parliament has set up a subcommittee to study the question of direct election by universal suffrage of its members. Under the present system, members are selected by the six national Parliaments, but the Rome

Treaties stipulate that the European Parliament shall draw up proposals for direct elections "in accordance with a uniform procedure in all member states."

At its first meeting, the subcommittee elected Fernand Dehousse (who is also President of the Consultative Assembly of the Council of Europe) as its chairman. During a subsequent press conference, Robert Schuman, President of the Parliament, admitted that there was a good deal of controversy surrounding the question of direct elections and that public opinion in the various countries was far from being in agreement. There were many difficult problems to be resolved, and he considered a rapid solution unlikely.

### European Parliament to Hold Joint Session with Consultative Assembly

Continuing a custom established by the former Common Assembly, the European Parliament will hold a joint session with the Consultative Assembly of the Council of Europe at Strasbourg on January 15 and 16. The session will allow the parliamentarians of a number of non-Community countries (including the United Kingdom) to discuss matters of common interest concerning the Communities with members from the six countries.

### Progress in the Social Field

A new agreement on social security for migrant workers will come into force in the Community on January 1, 1959. Giuseppe Petrilli, Member of the Common Market Commission, told a meeting of the Social Affairs Committee of the European Parliament in Brussels on October 10. He also announced that the Commission intended to organize a conference next year on the social effects of automation in the Community. It hoped to make its recommendations to the Council of Ministers before the end of the month on steps to be taken to realize the objective of free movement for workers as defined in Article 49 of the treaty.

Presenting the report on the social situation in the Community (see page 12) to the committee, Signor Petrilli said that the Commission had asked governments for their views on the interpretation to be given to the articles of the Common Market Treaty dealing with the Social Fund and its field of application. In the meantime, the Commission intended to ask governments for an advance of \$10 million to set up the fund, for which rules of procedure are being drawn up. Later, a commission would be appointed to be responsible for the administration of the fund.

### Architectural Contest Announced

The High Authority of the Coal and Steel Community has announced a \$15,000 architectural competition for designs for workers' housing. The contest is open to any qualified architect who is a national of one of the six Community countries. Entries will be accepted between January 1 and July 31, 1959, and judging will take place after September 1.

The High Authority will recommend to the governments of the Community that prize-winning plans be used for

#### JOURNAL OFFICIEL

New and renewal subscriptions to the *Journal Officiel des Communautés Européennes* have been set at \$6.00 a year, payable to the Service des Publications des Communautés Européennes, 2 Place de Metz, Luxembourg.

new construction. It will put aside part of the credits available for its 1959-60 house-building program for this purpose.

There will be three first prizes of \$2,000 each, eight second prizes of \$1,000 each, and 10 honorable mentions of \$100 each.

## Top Pay to European Coal and Steel Workers

Employees in the coal and steel industries are generally the best paid workers in the countries of the European Community, according to a special report of the High Authority. Among all workers they rate among the top half-dozen industries on the pay scale, except in Italy where the only coal field is on the relatively poor island of Sardinia. Coal workers there, underground and surface, fall in 17th place among wage earners of 43 industries.

The report, a special number of *Informations Statistiques*, compares gross average hourly earnings in the coal and steel industries with those of other industries. It is available in French at 60¢ per copy from the Information Service on request.

Relative position on the pay scale in each of the six countries is shown in the following table:

Country	No. Industries Surveyed	Coal Workers	Steel Workers
Belgium	53	3rd	5th
France	16	2nd	6th
Germany (Fed. Rep.)	24	1st	2nd
Italy	43	17th	3rd
Luxembourg	25	none	2nd
Netherlands	59	1st	2nd

## Increases in Coal and Steel Production

Production of crude steel in the Community during October reached the highest level in six months and showed an advance of a quarter of a million tons over September's output. Still, the total of 5,047,000 tons was almost 400,000 tons below the figure for October, 1957. France showed the greatest increase among the six nations of the Community. French production in October rose seven per cent over the previous month.

Orders for rolled products expanded sharply in October, reaching 3,281,000 metric tons, against 2,742,000 in September and 3,548,000 in October, 1957. Orders are now practically keeping pace with deliveries.

Production of pig iron and ferro-alloys totalled 3,757,000 tons, well above the September figure of 3,558,000, but below the level of 4,020,000 tons of October, 1957. For the 10-month period, output reached 36,472,000 tons—2.5 per cent below production for the corresponding period in 1957.

Coal production for October totalled 21,961,000 tons, bringing the total Community output for the first 10 months of the year to 207,227,000 tons—555,000 tons more than for the corresponding year in 1957.

Stocks at pitheads recorded their biggest monthly increase since the start of the coal crisis. By the end of October they had reached 24,357,000 metric tons, against

22,594,000 at the end of September and 7,149,000 a year earlier. With coke stocks up to 5,841,000 tons, against 1,117,000 last year, producers' stocks of coal and coke passed the 30-million-ton mark. Consumers' stocks continued to rise in July and August, and by the end of August (the latest figure available) stood at 22,280,000 tons, against 22,110,000 at July's end, and 21,578,000 at the end of June.

## First-Hand Study Overseas

Helmut Allardt, the European Economic Commission's Director-General for Overseas Countries and Territories, took off last month on a study tour of the non-European countries associated with the Common Market. The aim of Herr Allardt's trip, which began November 26 with a visit to the Italian trusteeship territory in Somaliland, followed by stops at French Somaliland and Madagascar, is to examine special problems on the spot with responsible officials and representative bodies of the particular areas.

The Director-General, who is the former German Federal Ambassador in Djakarta, was accompanied by Jacques Vignes, director of studies, who has previously held important posts in the French African Territories, and Anthony Dake, division head and former Dutch official. Enrico Gambelli, director of trade under Herr Allardt, joined the party during its visit to Mogadiscio, capital of the Italian trusteeship territory in Somaliland.

Under the Treaty of Rome establishing the European Economic Community, non-European countries and territories having special relations with France, Belgium, Italy, and the Netherlands are specially associated with the Common Market by reciprocal trade and investment provisions.

The \$581-million development fund will be contributed on the following basis: \$200 million each from France and the Federal Republic of Germany, \$70 million each from Belgium and the Netherlands, \$40 million from Italy, and \$1.25 million from Luxembourg. Funds will be allocated to the countries and territories associated with the following Community nations: France, \$511.25 million; the Netherlands, \$35 million; Belgium, \$30 million; and Italy, \$5 million.

## Shifts in Intra-Community Transport

A total of 405.7 million metric tons of coal, steel, and related products subject to the Coal and Steel Community (ECSC) were transported within the six-nation area by rail, inland waterway, and sea during 1957. Major shipments involved coal and briquettes—43 per cent—while iron ore and manganese ore accounted for 20 per cent of the traffic.

Supplies of iron ore to the Ruhr are tending to come increasingly from outside the Community. Arrivals at the port of Emden, Federal Republic, rose by 11 per cent over the previous year. At the same time, arrivals from Luxembourg fell off 28 per cent.

Steel rolled products accounted for only eight per cent, or 32.5 million metric tons, of the total shipments of ECSC products by rail, inland waterway, and sea. A remarkable increase in the percentage of rolled goods transported by road has been noted.

## Mansholt for Open Market in Agriculture

"I can be quite clear on the point that we do not want to have a closed market," Sicco L. Mansholt, Vice President of the European Economic Commission, told members of the American Farm Bureau Federation in a radio interview from Rotterdam November 29. "What the Six want is to have an open market. We do not want to be exclusive."

The Vice President predicted that it will take three to four years to develop plans on agricultural policy. Within six years, he said, the greater part of that policy will be in force in the six countries of the EEC. Asked whether this would tend to make it more difficult for the United States to enter the European market, Mr. Mansholt said: "It is a question of reciprocity. That depends on the trade relations to be built up."

Questions were asked of Mr. Mansholt by H. H. Alp, Director of Market Development of the American Farm Bureau Federation, in the company of George Dietz, Director of the Farm Bureau Foreign Trade Office in Rotterdam. When Vice President Mansholt asked Mr. Dietz his plans and the intentions of his office, Mr. Dietz replied that the intention was to promote and develop the European market and to keep the market open both ways.

## Scholarship Available to College of Europe

Competition for a scholarship offered by the American Committee on United Europe to attend the 1959-60 session of the College of Europe at Bruges, Belgium, is now open to American college graduates.

The College of Europe offers a one-year, graduate program in European studies. Courses and seminars are given in the social sciences, with emphasis on European economic and political problems. A series of study trips is part of the curriculum. The annual enrollment of about 40 students is drawn mainly from western Europe, but the college encourages outside representation to broaden the exchange of viewpoints.

Deadline for applications is March 1, 1959. Applicants must be United States citizens, under 30, single, able to speak French, and holders of a bachelor's degree by October, 1959. Valued at \$1,750, the scholarship covers travel, tuition, board, lodging, and incidental expenses. Further information can be obtained from the American Committee on United Europe, 120 East 56th Street, New York 22, N. Y.

Winner of the American Committee's scholarship last year was Gordon L. Weil of Bowdoin College. Previous winners have come from Dartmouth College, University of Idaho, College of St. Thomas (St. Paul, Minn.), and Princeton University.

## Production Increases Seen for the Future

By 1965, the gross national product for the six-nation Community will have increased by 48 per cent over that of 1955, with expansion varying among the six countries between 30 and 60 per cent. These predictions were made after a study by the Joint Committee of the Council of Ministers and the High Authority of the ECSC.

Most notable expansion, the report stated, will be found in the industrial field where the GNP will jump between 45 and 90 per cent, depending on the country. The much

less rapid expansion in agricultural production can be attributed to a decrease in the number of persons employed in that field. Still, in France and Belgium, agricultural production is expected to go up by about 15 per cent.

An increase in investments will differ from country to country, according to the joint committee, with the rate of investments growing between 18 and 26 per cent. All figures have been predicated on the hypothesis of full employment which is the determining factor for rapid expansion of the gross national product, the report pointed out.

## EURATOM Studies Safety Measures

Even though all the biological effects of radiation are not yet known in detail, the data we do possess permits us to take appropriate steps to insure the protection of workers and the general public against dangers arising from the peaceful use of nuclear energy.

This is the main conclusion in the Euratom Commission's recent report on health standards submitted to the European Parliamentary Assembly. The Council of Ministers is expected to act on the report soon.

Until now, none of the recommendations of various international commissions has had the official stamp of approval that the Euratom Treaty aims to establish. But once set up, the standards will be binding for each member country, though the means of accomplishing them will be delegated to competent national authorities.

The treaty leaves it up to each member state to establish legislative and administrative provisions insuring compliance with these basic standards:

- a) the maximum doses compatible with adequate safety;
- b) the maximum permissible degree of exposure and contamination;
- c) the fundamental principles governing the medical supervision of workers.

In general, the standards will apply to any activity which involves dangers of radioactivity. This concerns production, handling, utilization, stockpiling, transportation, and disposal of natural and artificial radioactive materials. For instance, the standards will apply to the use of radioactive materials for medical purposes, and to the use of radioactive substances with food products, medicines, cosmetics, and household articles.

Besides specifying maximum permissible dosage, the standards will also establish provisions for medical supervision and health protection of workers and the general public. They will include identification of controlled zones; the necessity of obtaining prior approval for new installations from the standpoint of physical protection, medical control for workers, continual supervision of the general public's health protection, and free flow of information concerning radiation affecting workers.

Before drafting its rules, the Euratom Commission consulted 12 radiation specialists designated by the Scientific and Technical Committee, two from each member state. These experts followed, to a large extent, the latest recommendations of the International Commission for Radiological Protection, considered the most up-to-date study in the field. The Euratom Commission's recommendations were unanimously approved by the Scientific and Technical Committee at its last meeting.