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

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COMMISSION URGES NEW LIBERAL TRADE MOVES

Hallstein Proposes Reduction of Transition Period in Five-Point Program

The Common Market's executive body, the European Economic Commission, has made practical new proposals to break the deadlock between the Six and the other member nations of the Organization for European Economic Cooperation (OEEC). The new proposals, which were drawn up by the Commission for a special committee representing the Commission and the six national governments, were outlined by Commission President Walter Hallstein before the European Parliament in Strasbourg on September 24.

The setting for President Hallstein's statement was provided by Dutch Catholic member P. A. Blaisse who presented a report of the Parliament's Foreign Trade Policy Committee on a proposed European Economic Association. In the course of M. Blaisse's presentation, he asked whether the Commission really wanted a multilateral European Economic Association at all. Many members, he added, had grave doubts whether it did.

In reply, President Hallstein admitted that the new proposals of the Commission made no mention of a multilateral European Economic Association but declared that the Commission was not against it. However, he said that the Commission recommended another approach. "The method we have adopted," he said, "is to let the fundamental question rest for awhile and to seek a way out of the present deadlock."

Moreover, President Hallstein asserted, M. Blaisse had put the question (concerning a European Economic Association) in too general a form. He said the Commission could not answer yes until four conditions were fulfilled:

1. it must be technically possible;
2. it must be politically acceptable, since the Commission itself could not decree a solution;
3. it must not prejudice the existence of the Community; and
4. it must take into account the Community's relations with countries outside Western Europe.

The Five-Point Program

Because agreement among the six governments had not yet been reached on all these points, the Commission proposed a series of liberal trade measures which, without compromising the positions of principle of the six member governments, could go a long way toward easing the problems of association.

IN THIS ISSUE

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1. QUANTITATIVE RESTRICTIONS

The Commission proposed the gradual abolition of all quotas on imports of industrial goods from all non-member countries on a reciprocal basis with additional increases in nil and negligible quotas.

2. TARIFFS

a) the Community should declare its willingness to extend to all countries unilaterally the second round of internal tariff cuts to take place in the Common Market on July 1, 1960; no tariff for other countries would, however, be reduced below the level of the Community's common external tariff still to come into force;

b) talks should be held immediately with the other European countries to give the next round of GATT negotiations the fullest possible effect as part of a broad liberal tariff policy toward the world as a whole;

c) the Six should propose a new round of substantial tariff cuts after the 1960-61 GATT conference;

d) to ease any acute difficulties which other European countries might experience, tariff quotas could be negotiated for them insofar as they were compatible with GATT.

3. COOPERATION WITH OTHER MAJOR ECONOMIC UNITS

With other major economic units such as the U.S. and Great Britain, the Community should coordinate cyclical economic policy *(conjoncture)* and should propose the drawing up of a concerted world-wide plan for aid to less-developed countries.

4. EUROPEAN LIAISON COMMITTEE

A committee representing the Community on the one hand and the other European countries or such groups as might emerge, on the other hand, should be set up to:

a) examine difficult trade sectors where problems might arise, and

b) propose solutions on specific problems (e.g. tariff quotas).

5. STRENGTHENING THE COMMON MARKET

President Hallstein made two specific suggestions for strengthening the Community, which he said was a prime condition for a liberal Community policy toward the rest of the world:

a) the Common Market's transition period should be shortened and a joint foreign-trade policy worked out more quickly, as proposed by various sectors, including the Conseil National du Patronat Français (the French Employers Federation);

b) there should be closer coordination of economic policies, as suggested recently by German Secretary of State Müller-Armack, and possibly even a common economic policy.

Professor Hallstein stressed that the Commission regarded these proposals as not being the last word. They were an effort to get things moving again between the Six and the other OEEC countries. "The door is completely open," he concluded.

For Multilateral Association

The report of the European Parliament's Foreign Trade Policy Committee had strongly urged the need for a multilateral association between the Six and the "Outer Seven." The Six should take the initiative in opening talks with the other OEEC countries, it said. The Committee believed that formation of the Free Trade Area of the Seven would greatly improve the chances of success of a European Economic Association.

The Committee urged that negotiations be opened directly between the Six and the Seven while keeping the other OEEC member countries informed. The EEC could be designated to negotiate on behalf of the Six to get things moving. A new meeting of the OEEC ministers should be called to make a joint declaration that they still aimed at a European Economic Association.

The question of association had now become essentially a political one, the Committee said. The division of Europe into two blocs would be dangerous at a moment when unity is needed more than ever. Association would bring new possibilities of dynamism and economic expansion and also avoid the danger of diversions of trade.

Unity Intact

The Committee insisted with President Hallstein that in any association the unity of the Six must not only be kept intact but strengthened and speeded up. It said no association could be formed unless the following five conditions were observed:

1. there would have to be rules to prevent distortion of competition by cartels, monopolies and dumping;
2. liberalization must cover agricultural as well as industrial goods;
3. economic policy must be coordinated to avoid the re-establishment of trade barriers as a result of divergent policies;
4. less-developed countries must get special aid from the more developed countries;
5. the external tariff must be harmonized as far as possible.

Parliament Gives Broad Approval

During the debate on Prof. Hallstein's statement and the Blaisse report, which opened the following day, the new proposals met with broad general approval, though the session opened with critical statements by two Socialist speakers.

The first, Dutch Socialist Mr. van der Goes van Naters, warned the Commission that, although the Dutch were the most convinced of Europeans and the strongest supporters of the unity of the Six, they should not be pushed too far. They could not go on putting off a solution of the Community's relationship with third countries. There had been too much "immobilism" in the external relations of the Six, he said.

German Socialist Ludwig Metzger wanted a clear statement on the need for a multilateral association between the Six and the Seven which could be brought about if there were a mutual readiness to make concessions. In general, however, he welcomed the Common Market executive's new initiative.

Members of the European Community Also associated with the OEEC and GATT *(White Area)*

Belgium, France, Germany (Federal Republic), Italy, Luxembourg and the Netherlands.

Population—165 million   Area—449,000 square miles

Other Member Nations of OEEC *(Light Shaded Area)*

Austria, Denmark, Greece, Iceland, Ireland, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom.

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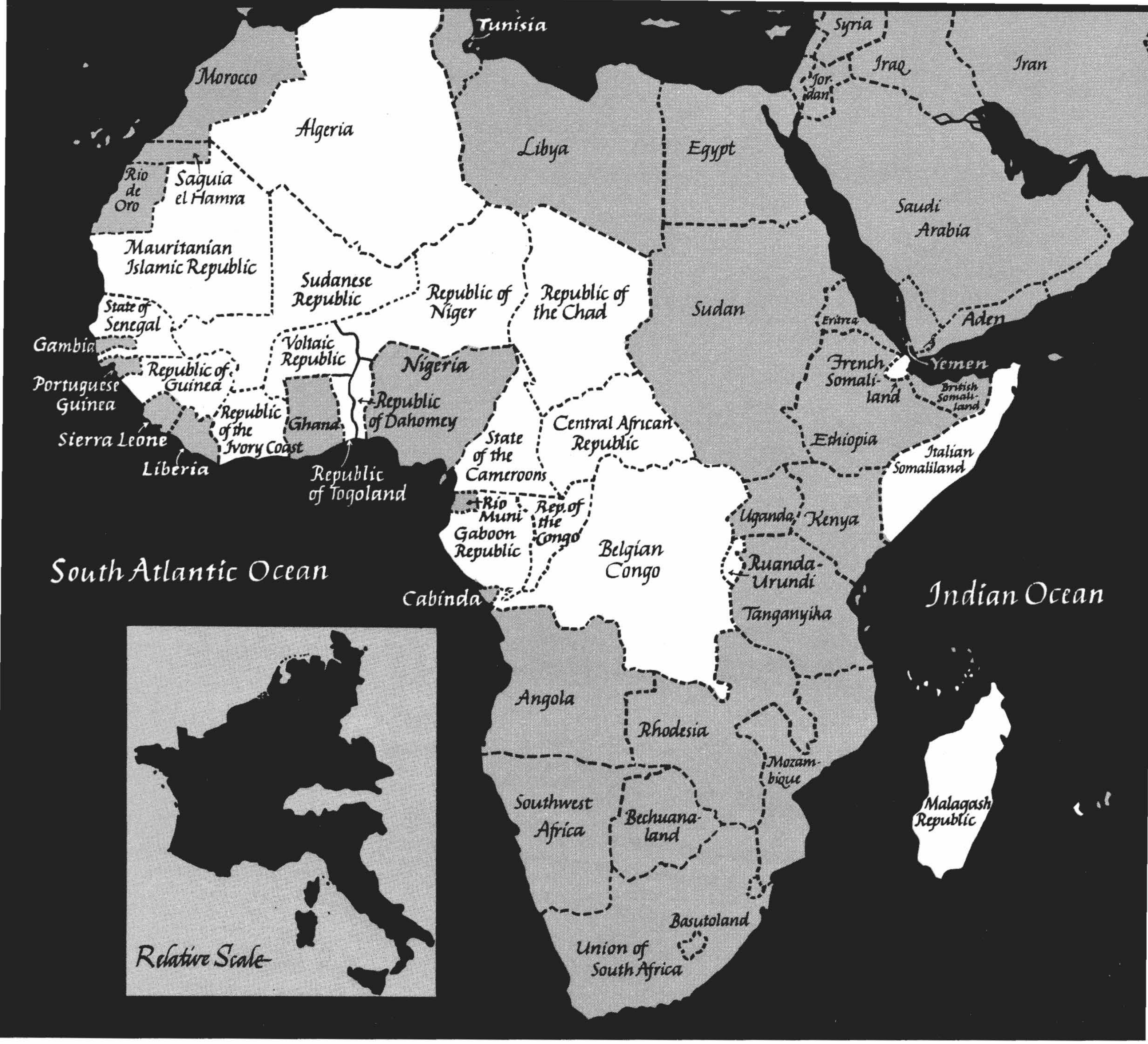

Overseas Countries and Territories Associated with the European Economic Community *(White Area)*

(Ref. Articles 131 to 136 of the Treaty establishing the European Economic Community)

African Associates—

Republics of the Chad, the Congo, Dahomey, Guinea, Ivory Coast, Niger, Togoland; the Central African Republic, the Gaboon Republic, the Malagash Republic and dependencies, the Mauritanian Islamic Republic, the Sudanese Republic, and the Voltaic Republic; the State of the Cameroons and the State of Senegal; French Somaliland; the Belgian Congo and Ruanda-Urundi; the Italian Trusteeship Territory in Somaliland.

Other Associates—

The French settlements in Oceania and the Southern and Antarctic Territories; St. Pierre and Miquelon, the Comoro Archipelago, New Caledonia and dependencies, and the Netherlands New Guinea.

Population—53 million

Total population of the European Community with Overseas Countries and Territories—218 million.

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Speaking for the Liberal Group, former French Premier René Pleven approved the Commission's new "gesture of good will." He described the liaison committee as the major feature of the proposals and praised especially the limitation of its activity to practical problems. The Liberal Group thought it should sit in Brussels or, failing that, in Geneva, attached to GATT. The process of establishing the Common Market should be speeded up as the Commission proposed, and if the Community prospered, it would be able to adopt an increasingly liberal policy.

An Individual View

Christian Lunet de la Malène, of the French U.N.R., speaking on his own behalf, said that France was silent on the question of a multilateral European Economic Association because she had nothing to add to the obligations she had accepted under the Common Market Treaty. Those who wanted free trade areas should come out into the open and be prepared to give up integration in the Community of the Six. He condemned the Hallstein proposals as offering to the remaining European countries the major advantages of the Treaty—the dismantling of tariff and quota restrictions—without these countries having to accept the obligations of the Rome Treaty. He personally would do everything in his power to get a revision of the Common Market Treaty if France had to accept the burdens of free trade in addition to its Common Market obligations.

After support for the new proposals from former European Parliament President Hans Fürler (German Christian Democrat), and Italian Christian Democrat Guiseppe Caron, Walter Scheel (German Liberal Group) reminded M. de la Malène that the Rome Treaty incorporated solemn obligations on the part of the signatories to negotiate with non-member countries so as to ease their difficulties and help expand trade in general. That was one of the reasons why ratification had been accepted unanimously by the German Bundesrat.

Jean Duvieusart (Belgian Christian Socialist) gave the proposals the official support of the Christian Democrat group. He stressed again the group's complete fidelity to the Rome Treaty and at the same time the need, as well as the Treaty obligation, to negotiate with other countries. The group thought the Hallstein proposals and the Blaisse report could both contribute to finding a solution; it approved all negotiations with any nations or groups of nations under the conditions set out in the Blaisse report.

Rey Clinches the Commission's Case

Replying for the Common Market Commission, Commission member and former Belgian Economics Minister Jean Rey said that the Community could no longer afford the luxury of not defining its external-trade policy. The Commission had had to make practical proposals in order to get something done while the six governments were still not agreed on principles.

The Commission was ready to consider all possible ways of easing any real difficulties which might arise for other countries, while bearing in mind that difficulties of member states must also be considered.

Just as it had taken into account the French difficulties—now largely removed following France's restoration to economic health—it must consider the very real difficulties which faced the Netherlands, Belgium and Germany, for which trade with the other OEEC countries was vital.

M. Rey said the Commission's proposals had been sympathetically received by all six national delegations in the special joint committee set up to deal with the problem of external-trade relations. It was now up to the six governments to whom the proposals had been submitted. He concluded: "The time has come when, in its external relations, the Community should gather its strength and move forward."

COMMISSION FORECASTS CONTINUED UPSWING IN ECONOMY

Industrial Production Expected to Rise 6-7 Per Cent—Prices Remain Stable

Industrial production in the European Community is expected to be some 6.5 to 7.5 per cent higher in the final quarter of 1959 than in the same period last year, according to a recent report by the Common Market Commission.

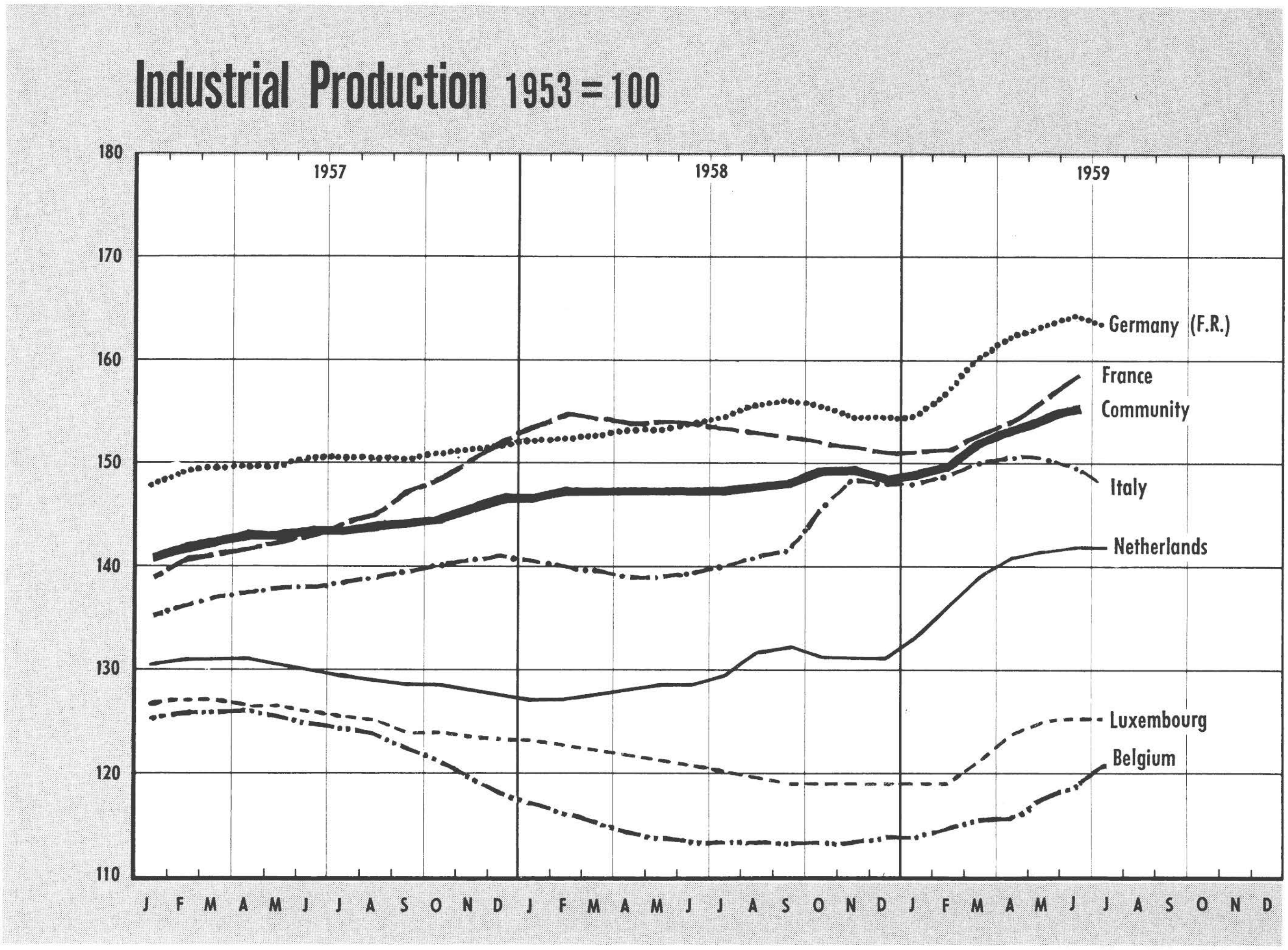
The index of industrial production for the second quarter stood 6.4 per cent higher than in 1958, compared with only 1.8 per cent in the first quarter. Community exports in the second quarter, the report said, rose 11 per cent over those in the corresponding period of 1958.

The report, which covers "The Economic Situation of the Community in mid-1959 and the Prospects for the Fourth Quarter," stated that the upswing was general throughout the Community although it was more marked in Germany, Italy and the Netherlands. These three countries had already registered some expansion in 1958. In France, where the effects of the recession had been felt later than elsewhere, the slackening which was noted in the first quarter of this year has now given place to a marked recovery.

Most of the industries which had previously suffered—steel, textiles, clothing, leather—were rapidly recovering. The one exception was the coal-mining industry. The recovery, the report said, was due less to increased consumption or private investment than to other elements in total demand, especially to restocking and foreign trade. While the trade position had improved generally, there had been a particular increase in trade with the United States.

Call for a Slowdown?

Prices throughout the Community had so far been remarkably stable, the report continued. Nevertheless, drought in some areas had caused food prices to rise. Interest rates were beginning to creep up a little, and in certain sectors, particularly building, there were signs of a possible drain on manpower. To meet this situation, some countries, the



report suggested, might have to slow down their rates of expansion although in others, a continued and even an increased rate of growth was still desirable.

Provided that the short-term economic policies of member states were properly coordinated, the report concluded, it should be possible for the Community's economy to expand even more rapidly without risk of inflationary pressure. The main aims of such coordination should be:

—to divert toward other member countries the excessive demand which might appear in countries with the highest rates of expansion;

—to insure a better distribution of the Community's manpower reserve;

—to use, as necessary, the reserve created by balance-of-payments surpluses with regard to non-member countries.

COMMON MARKET BEGINS TALKS WITH GREECE AND TURKEY

Meeting in Brussels in September, delegations from the Greek and Turkish Governments held separate preliminary talks with representatives of the Common Market Commission to explore the possibilities of association with the European Community. The meetings followed decisions by the Community's Council of Ministers on July 25 and September 11 favoring the requests for association made by Greece on June 8 and by Turkey on July 31.

In a communiqué issued at the end of the first meeting, the Commission declared:

"The Greek representatives described in detail Greece's problems and the government's proposal for the establishment of a customs union with the Community. The representatives of the Commission stated that the Community intended to bring effective aid to the developing Greek economy in order to achieve satisfactory balance in the proposed association.

"The talks covered such questions as the circulation of goods and of persons, the right of establishment, the harmonization of trade policy, and institutional problems, as well as the sales of agricultural products, particularly tobacco, and financial aid, to which the Greek Government attaches particular importance."

In the communiqué issued at the end of the talks with Turkish representatives, the Commission said:

"The representatives of both parties described the problems raised by the proposed association and examined the means of solving them in the common interest. The talks covered the aid which the Community hopes to give to the development of the Turkish economy, in harmony with that of the Community itself, and in particular the conditions for financial assistance to the Turkish investment program. The talks also touched on the questions raised, in the context of a possible customs union, by the free circulation of goods and particularly of Turkish agricultural products, as well as on the ways in which trade policy might be harmonized."

Both communiqués spoke of the hope of reaching full agreement after further studies and talks to be held this fall.

Under the Common Market Treaty, other countries or international organizations may be associated with the Community if their adhesion as full members is not, or not yet, possible. Association agreements are concluded by the Council of Ministers acting unanimously after consultation by the European Parliament.

Close Trade Links

Economically, as well as politically, both Greece and Turkey are closely linked with the Community. The Greek note requesting association pointed out that already more than 50 per cent of Greek exports go to the Common Market, which in turn, supplies some 50 per cent of Greek imports. Turkey similarly sells about 40 per cent of her total exports to the Common Market and receives from it some 35 per cent of her imports.

Greece's main exports to the rest of the world include tobacco, currants, mineral ores, cotton, olive oil, olives, resin, and turpentine. Her main imports, apart from foodstuffs, include industrial raw materials, machinery and metal manufactures, petroleum products, pharmaceutical and chemical products, vehicles, timber, paper and paper pulp.

Turkey's main exports include tobacco, fruits and nuts, cotton, mineral ores, etc. Her main imports include machinery and electrical equipment, petroleum and petroleum products, cereals, chemicals and dyes, iron and steel products, and rubber.

OVERSEAS AID—COMMON MARKET STUDY TOUR

A four-man team of Common Market experts took off for an October tour of African countries associated with the Economic Community. Headed by Enrico Gambelli, director of the trade section of the Department of Overseas Countries and Territories, the group scheduled visits to the new Republics of the Chad, the Congo, and Gaboon, and the State of the Cameroons.

The aim of the three-week visit, which follows previous visits to Madagascar and West Africa this year, will be to hold on-the-spot discussions with African officials concerning problems raised by the application of the Treaty of Rome. The October tour started just two weeks after EEC approval of $1,912,000 in non-repayable credits to the Chad and Gaboon Republics. The grants, announced September 22, were extended by the Common Market's Development Fund for Overseas Countries and Territories.

On October 16, the EEC Commission announced approval of a $2,781,000 grant for school construction in the Niger Republic. The aid will be used in the new Republic's five-year school-building program which is aimed at constructing accommodations for 116 primary-school groups and six secondary-school groups.

The grant will be broken down into two components. The first—$1,810,000—will come from the Common Market's 1958 budget, and the remainder from the 1959 budget. Grants to the overseas countries and territories come from the Community's $581.25 million investment fund and take the form of non-repayable aid.

EURATOM SIGNS TREATY WITH CANADA

Two Agreements for Peaceful Cooperation Concluded

The Canadian Ambassador in Brussels and the Euratom Commission signed an outline agreement for cooperation in the nuclear field between the Canadian Government and the European Atomic Energy Community at a ceremony held in Brussels, October 6. At the same time, a technical agreement was signed by the Euratom Commission and the President of Atomic Energy of Canada, Ltd.

The outline agreement stipulates the conditions regulating the exchange of all types of information, materials, and equipment between persons and enterprises in Canada and Europe. The technical agreement provides for the launching of a joint research and development program centered on the heavy-water-moderated reactor type.

The two agreements will enable the Community as a whole to profit from Canada's experience in the development of heavy-water-moderated reactors and will guarantee the Canadians the technical backing of European industry as regards construction and equipment. Interest shown by Community utilities and other enterprises in the heavy-water type of reactor was cited as promising wider collaboration between European and Canadian manufacturers and scientists. A group of manufacturers from Community countries will visit Canada's nuclear center at Chalk River this fall at the invitation of Canadian officials.

A major objective of the Canada-Euratom Cooperation Agreement is a five-year, $10-million research and development program which will be carried on both in Canada and within the six Euratom countries. The R&D program will include study and development on the heavy-water-moderated, organic-cooled type of reactor and on the heavy-water-moderated and cooled type of reactor and associated equipment. The cost will be shared equally between Euratom and Atomic Energy of Canada, Ltd.

The agreements with Canada comprise:

1. An outline agreement between the Government of Canada and Euratom, setting forth the legal conditions for the joint program. This agreement will cover a 10-year period.
2. A technical agreement between Euratom and Atomic Energy of Canada, Ltd., in which the joint program is described.

The outline agreement provides for exchange of information on research and development, health and safety, equipment and design, and the use of equipment facilities. The Canadian Government and Euratom agree to encourage and facilitate the granting of patent licenses and mutually to provide technical advice and training facilities.

The agreement also provides for exchange of source material and special nuclear material on commercial terms under guarantees that such material will be used for peaceful purposes only. Within the European Community, these terms will be insured by Euratom's safeguards-and-control system and through consultation and exchange of visits between the contracting parties, both of which are prepared to consult and exchange experience on the subject with the International Atomic Energy Agency.

Both parties recognize the necessity for adequate measures with respect to third-party liability and will cooperate in developing and securing their adoption. Existing agreements contracted by Euratom's member states will be renegotiated to enable rights and obligations arising from them to be assumed as far as possible by Euratom as a whole. Representatives of both parties will meet from time to time for joint consultation and may invite other countries to take part in the joint research and development program.

First Projects Proposed

The outline agreement, which will come into force through an exchange of notes, will remain in effect for a period of 10 years and thereafter will be subject to cancellation with six months' notice by either party.

The technical agreement, which lays down the details of the joint research and development program, provides for exchange of information, including basic designs of power reactors and design information relating to reactor materials, fuel-core structures, heat exchangers, pumps, valves, cladding and end fittings, as well as information on development of these designs. It is expected that research will first center upon subjects such as:

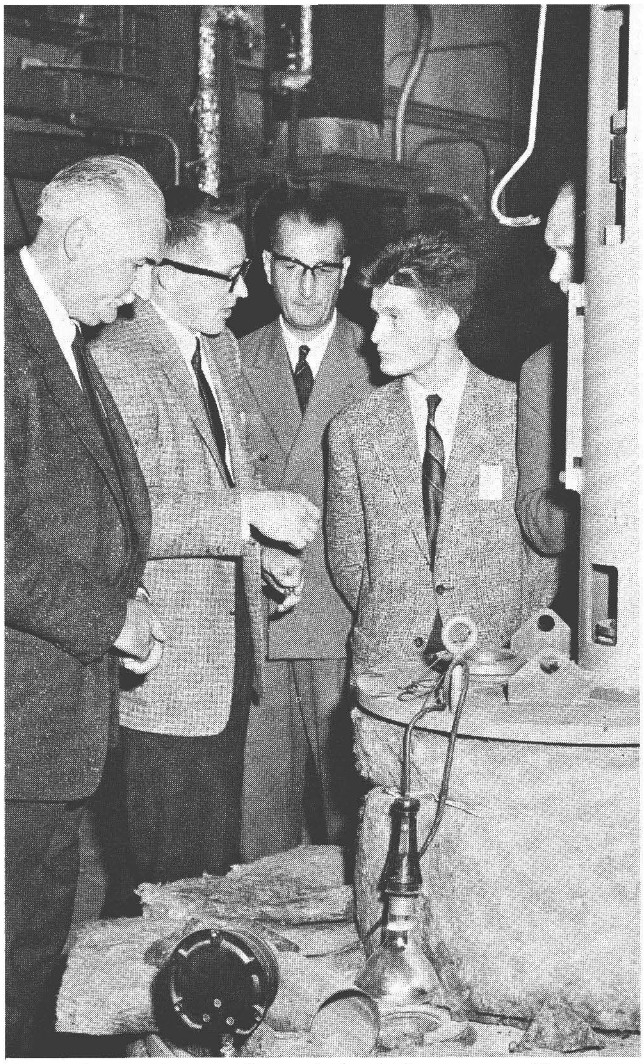
—Ceramic fuels, in particular uranium oxide fuels
—Metallurgy of cladding and structural materials
—Thermodynamics of fuel assemblies and studies of heat exchange
—General and radiation chemistry of water and organic coolants
—Design, study, and test of special components—pumps, valves, joints, etc.
—Irradiation and in-pile loop experiments connected with the above research

Inventions and discoveries made under the agreement will be shared between Atomic Energy of Canada, Ltd., and Euratom, although each party will retain patent rights within its own territory and that of third countries.

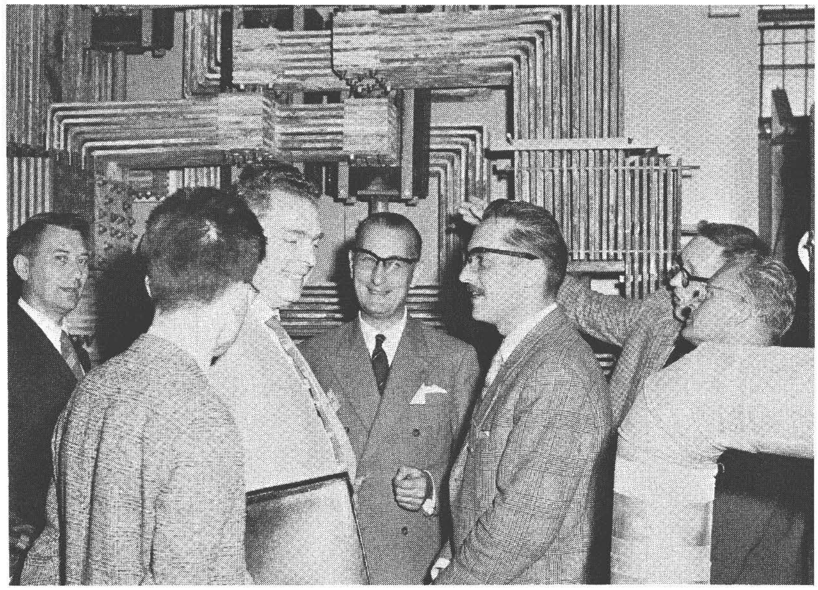
The technical agreement provides for a joint board to advise Atomic Energy of Canada, Ltd., and the Euratom Commission on the carrying out of the agreement. It will be composed of equal numbers from either side, together with representatives of third parties invited by mutual agreement.

The Canadian agreement is the third such pact to be signed by Euratom with major nuclear powers of the western world. The first was the Agreement for Cooperation between the United States and Euratom, signed in Brussels on November 8, 1958, which was followed by the signing of the U.K.-Euratom pact on February 4, 1959. Negotiations for a fourth intergovernmental agreement are now going on between Euratom and the Government of Brazil.

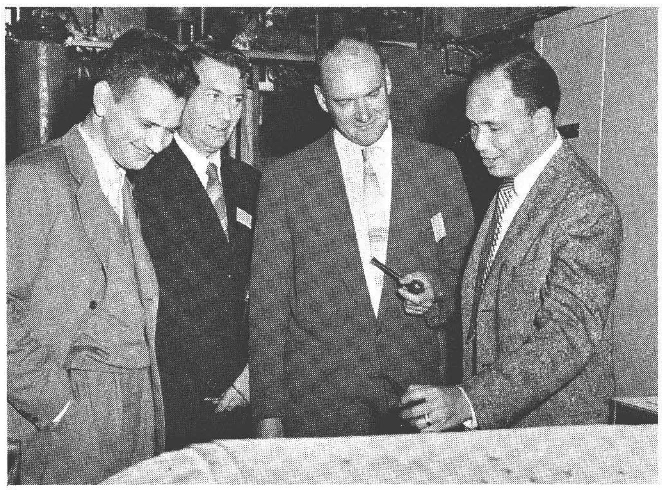
President Étienne Hirsch signs Canada-Euratom agreements in Brussels. Seated left to right: Euratom Vice President Enrico Medi, Canadian Ambassador Sydney David Pierce, President Hirsch, President J. L. Gray of Atomic Energy of Canada, Ltd., Euratom Commissioners Paul Hubert de Groote and Emanuel M. J. A. Sassen.



Grouped around a mock-up of the fuel-core assembly of Experimental Breeder Reactor II: Messrs. Beurtheret, Jaross of Argonne, and Marchal, Le Franc, and Fouré (partially hidden).



European atomic specialists on Euratom-sponsored tour are shown with Robert A. Jaross, associate electrical engineer in Argonne National Laboratory's engineering division. Left to right: Messrs. Van Dorsser, Le Franc (back to camera), Grass, Marchal, Bitsch, Jaross, and Domenjoud.



Leon S. Markheim of Argonne National Laboratory explains element in heat-transfer laboratory to scientists Soldaini, Van Dorsser, and Fouré.

EURATOM SPONSORS U.S. TOUR

Calls Joint Conference With AEC in Brussels

Eight atomic-industry specialists from three Community countries traveled the U.S. coast to coast this fall to study government and private-industry installations. Experts in the field of heat transfer, they were guided by Gunther Grass, chief of the heat exchange section of Euratom's Research and Training Division.

Arriving in New York on September 22, the group visited Columbia, M.I.T., the Allis Chalmers plant near Milwaukee, Argonne National Laboratories, General Electric's facility in Valecitos, Calif., and Oak Ridge before returning to Europe in early October.

Later that month, Euratom and the U.S. Atomic Energy Commission called a conference of specialists in reactor corrosion representing 11 countries. Held in Brussels October 14-16, the meetings were specifically concerned with comparing experience and theories from representatives of Belgium, Canada, France, German Federal Republic, Israel, Italy, the Netherlands, Sweden, Switzerland, the United Kingdom, the United States, and the OEEC. The conference demonstrated one of the practical results of the joint U.S.-Euratom Agreement which calls for a wide exchange of information.

The eight members of the heat-transfer team which toured the United States were: Charles A. Beurtheret, chief engineer, Thomson-Houston, Paris; Daniel Bitsch, chief, thermal division, Indatom, Paris; Paul M. Domenjoud, chief engineer, nuclear studies branch, S. A. Alsthom, Paris; Claude Fouré, chief, thermal research branch, Snecma, Paris; Jean-Daniel Le Franc, engineer, Thomson-Houston, Paris; Raymond Marchal, director, atomic division, Snecma, Paris; Giorgio Soldaini, research engineer, C.I.S.E., Milan; and Arend Van Dorsser, chief, research and development division, C.T.I.T.N.U., The Hague.

COMMUNITY-WIDE SUPPORT FOR ECSC

Institutions Back New High Authority at Installation Ceremonies

The new nine-man High Authority of the European Coal and Steel Community was officially sworn in at a formal ceremony before the Court of Justice in Luxembourg, September 16. Strong support was voiced by leaders of other Community institutions, and all of the members of the executive branch delivered speeches. (See page 9 for President Malvestiti's inaugural address to the Parliament.)

The day after the official ceremony, Paul Elvinger of Luxembourg, current chairman of the Community's Council of Ministers, drew lots to determine the order in which the terms of each of the nine members will come up for renewal. Results of the drawing were as follows:

Two years (on September 14, 1961):
Albert Coppé · Albert Wehrer · Pierre-Olivier Lapie

Four years (on September 14, 1963):
Paul Finet · Roger Reynaud · Fritz Hellwig

Six years (on September 14, 1965):
Piero Malvestiti · Dirk Spierenburg · Heinz Potthoff

This procedure was in accordance with Article 10 of the ECSC Treaty, which provides that, after the first six years' operation of the High Authority, one-third of the latter's membership shall be renewed every two years.

The renewal of membership will be effected in 1961 through appointments by the six governments, and in 1963 by vote of the remaining members of the High Authority, in accordance with procedures laid down by Article 10 of the treaty. The term of office of the present High Authority started on September 15.

Outgoing HA President Finet (left) greets his successor on the occasion of Sig. Malvestiti assuming the Presidency.

Community Solidarity

President of the Court of Justice Andreas Matthias Donner reminded the High Authority members that their new task remained as defined by the ECSC Treaty. They were still compelled to abstain from all conduct incompatible with the supranational character of their functions. They would need to show courage and firmness in carrying out this obligation, he said.

Robert Schuman, who gave the first impulse to European integration in May 1950 when he proposed the pooling of Western Europe's basic industries under a common higher authority and who is now President of the European Parliament, said the Parliament would be at the High Authority's side in the difficult tasks which lie ahead.

The President of the Economic Commission, Walter Hallstein, who was accompanied by all his colleagues from the Commission, said that Europe could not be built without the determination to overcome resistance. "In your current difficulties, you are not alone. You can be sure of the cooperation of the European Economic Commission. Your difficulties are our difficulties, your opponents our opponents, your friends our friends."

Euratom Commission President Étienne Hirsch pledged that his executive would continue its close cooperation in the coordination of energy policy.

Test Period Ahead

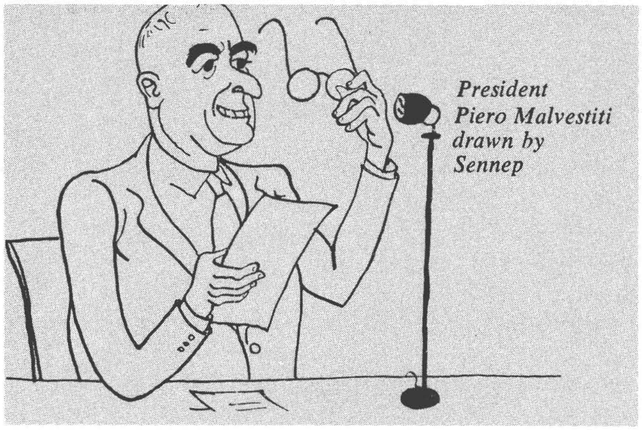
The pledges of solidarity and support had a particular significance, with the High Authority undoubtedly at the most difficult stage of its seven-year existence. It faces the continuing coal crisis. Pithead stocks were at 32.5 million tons at the end of August, and although the rate of stock increase is now much reduced, the process of contracting the industry to a level at which it will be able to sell all its output, in a highly competitive fuel market, proves to be a delicate economic and social problem in both Belgium and Germany. Moreover, the rejection by the Council of Ministers on May 14 of the High Authority's plan to deal with the coal crisis on a Community basis was widely regarded as a blow to the European cause.

The High Authority's Powers

Another threat comes from the expressed attitudes of one of the Community's governments toward the ECSC Treaty. These views are radically different from those which prevailed at the outset in 1952. Not only has the French Government made it clear that it would like to revise the treaty so as to curb the High Authority's supranational powers, but the Belgian Government recently took unilateral action which, at first sight, appeared as if it might infringe the treaty.

In these circumstances, the ceremony of September 16 was an imposing reminder that the High Authority's powers and obligations remain unchanged and that there is a massive weight of opinion in the Community in favor of "building Europe." The High Authority, for seven months a caretaker body "with its hands tied behind its back," as retiring member Enzo Giacchero put it in his farewell speech, now has had its hands freed. It is complete and it has a full and normal mandate. Sig. Giacchero had declared in a speech some weeks earlier: "Europe will die from cooperation. It will live and prosper only in federation." Sig. Giacchero added that the High Authority would need "courage, courage, and still more courage." Sig. Malvestiti declared, apropos his new task: "I have not come here as an undertaker and I have no intention of becoming one."

Yet observers were under no illusion about the essential role of the six governments, which retain practically the whole of the panoply of sovereignty. It is clear that if one or more of the governments of the member states should decide systematically to defy the High Authority or refuse to carry out the obligations they have solemnly undertaken in the Treaties of Paris and Rome, the whole progress and even the structure of the new Europe could be undermined. For some considerable time yet, the building of Europe will depend on the good will of the governments.



President Piero Malvestiti drawn by Sennep

MALVESTITI PLEDGES PRESERVATION OF AUTHORITY'S POWERS

High Authority President Piero Malvestiti indicated in his inaugural speech to the European Parliament in Strasbourg September 23 that he would vigorously defend the High Authority's powers with respect to the ECSC Treaty.

"In building a new, democratic Europe," he said, "fidelity to texts freely agreed on is an imperative condition. As president of an institution which is entrusted with insuring respect of the clauses of a treaty, my prime duty will be to continue the struggle to preserve the essential features of the ECSC—that is, the direct, independent powers of the High Authority. The governments and the parliaments have accepted the same obligation. They have subscribed to a treaty which says literally, in Article 86, that the member states undertake to aid the institutions in the accomplishment of their task.

"In the long run," he went on, "the problem of an adjustment between the three European Communities will have to be faced. For the moment, what is required is increasingly close cooperation between the three Community executives."

President Malvestiti admitted that in the seven years which had elapsed since the signing of the treaty, economic conditions had changed in some fields and the modification of certain treaty terms could serve a useful purpose. "The task will be to improve the operation of the common market (for coal and steel) in the way opened up by the Treaty of Paris."

No Magic Solutions for Coal

Turning to the economic problems which lie before the Community, President Malvestiti said the Parliament would not expect the new High Authority and its president to produce a new, definitive magic formula which would miraculously remedy the critical situation of the coal industry. He cited examples from High Authority reports and documents to show that, as early as 1955, and particularly in 1957, the High Authority had given ample warning of the growing competition of other forms of energy; it had warned the coal industry of its declining share in meeting total energy requirements and particularly of its inability to meet price competition from oil. The High Authority also gave frequent warnings that long-term forecasts for coal could not be made except as part of forecasts for energy as a whole.

"The situation was recognized, studied, and diagnosed in good time and with great clarity," he said. "But this had not prevented various opponents from resisting—out of habit, interest, or hope—an urgent and painful adaptation."

President Malvestiti underlined the difficulty of diverting the industrialists' attention from production to demand—from cost to price. Attention had been focused too long on costs rather than price. Principles of price formation must be formulated which would enable consumers voluntarily to choose the most economic resources. "The market is the determining factor," he said.

Well-organized cartels, combines, and monopolies could succeed in distorting the laws of the market and holding up necessary developments. Moreover, the High Authority could not ignore the political consequences of excessively powerful concentrations of economic power, Sig. Malvestiti warned.

A Coordinated Energy Policy

His examination of the Community's economic problems showed that there were two vital requirements: first, the drawing up of comprehensive energy forecasts, and second, the gradual application of "a Community power of coordination." This would require the closest cooperation with the Economic Community and with Euratom.

"I do not know for the moment whether the agreements between the sister Communities will suffice for this task. Let me say that I fear all excesses of logic and particularly that which . . . aims at setting up a single community for energy. I believe that the Coal and Steel Community should remain the 'leader' in this cooperation and that experience will show any changes which may become advisable."

Sig. Malvestiti warned, too, that in the coal crisis the introduction of divergent measures, limited to national industries in the different member states, could unleash a chain reaction which would hit neighboring countries and result in the fencing-in of national markets. He appealed to all governments and employers' and workers' organizations for full cooperation in finding a Community solution to the coal problem.

President Malvestiti ended his speech by assuring the Parliament that the "re-launching" of Europe would be the primary and fundamental aim of the High Authority.

Criticisms during the debate on President Malvestiti's speech concentrated mainly on the lack of precise plans to deal with the coal crisis and on his estimate of the role of coal in the economy. Two speakers thought that its role would be more important than Sig. Malvestiti indicated.

In replying to Parliamentary criticism, the High Authority's President noted that he had been in office for only seven days and could not be expected to say precisely how he intended to resolve the coal crisis. As for the charge of not having defended coal sufficiently, he said it recalled to mind the phrase: "defending the lire till the death of the last Italian." He declared that he preferred to be realistic.

NEW HIGH AUTHORITY RESEARCH PROJECTS

The Council of Ministers has recently approved five major research projects proposed by the High Authority of the ECSC. Total Community contribution to these projects will amount to $3,775,000. The five projects are:

1. The low-shaft furnace in Liège—$2,100,000. The aid money will be spent over a three-year period between 1960 and 1962. The High Authority had previously granted $1,500,000 for research to be conducted in Liège on the reduction of coke consumption in blast furnaces.

2. Research on pre-heating of coke paste—$700,000. This project aims to achieve maximum efficiency in the production and use of metallurgical coke and to open up new possibilities for the use of lower-grade coking coal.

3. Research on coking processes—$525,000. The aid represents almost two thirds of the total amount of $860,500 to be spent by the Steinkohlenbergbauverein of Essen on this project which aims at obtaining the highest possible proportion of coke suitable for metallurgical purposes.

4. Flame research—$250,000. This project will be carried out by the International Flame Research Foundation whose members include the United States, the United Kingdom, and Sweden, as well as Belgium, France, and the Netherlands. Italy and the German Federal Republic will automatically become members. With High Authority aid, the foundation will now be able to double its rate of research.

5. Production of a metallographical atlas—$200,000. The atlas, which will comprise a collection of optical and electronic micrographs of metal structures, will be produced by the Finsider Steel Institute of Italy.

FRENCH REPORT ON ECSC TREATY

The following article appeared in the AGENCE FRANCE PRESSE *summary of European affairs of September 15:*

The European situation this week has been marked by what has already been called by some a French offensive against the Coal and Steel Treaty. The controversy which has arisen stems from a statement by Maurice Couve de Murville before the Foreign Affairs Committee of the French National Assembly. He made it clear that France considered a revision of the ECSC Treaty desirable. According to informed quarters, this revision would aim at aligning the treaty's rules to some extent on the provisions of the Treaty of Rome.

Action by the French Government along these lines has in fact been expected for some time. Speeches made in Strasbourg before the European Parliament by Jean Marcel Jeanneney, French Minister of Industry and Commerce, in April, and Jacques Vendroux, U.N.R. deputy and brother-in-law of General de Gaulle, in June, had already dropped hints that something like this was in the offing. M. Couve de Murville's statements have therefore not caused much surprise in the capitals of the other five Community countries and they have provoked few reactions, even in Community quarters.

The reason for this is fairly clear, according to these quarters. Revision of the treaty requires the agreement of the six governments. It is no secret that the Benelux countries, which are very "European," as indeed is Italy also, would not look favorably on a revision of this kind. The first reactions from Bonn showed extreme reserve. It would seem that for the majority of the governments directly interested, revision of the ECSC Treaty in the sense outlined by Paris is not considered opportune either from the political point of view (since the ECSC, pilot plant of the European Community and supranational in structure, is still regarded as a symbol), or from the economic point of view (the general Common Market, still "too young," has not yet proved itself in practice and therefore cannot be considered for the moment as the example to follow).

New developments in this field therefore seem unlikely in the near future and the only revision of the ECSC Treaty which will come up for consideration is one proposed by the High Authority. This would prolong beyond the deadline of February 9, 1960, treaty provisions permitting financial aid to workers who are dismissed or threatened with unemployment.

AID FOR BELGIAN COAL PRODUCERS

Slag pile looms like a mountain in the background as lone miner trudges past row of workers' homes in Belgium's Borinage district. In three years' time, nine of the 14 pits in this area will be closed.

Drastic Reorganization Under Way--Target Date 1962

Measures to make Belgian coal competitive within the common market have taken shape and are already under way. The central feature of the program is the reduction of capacity to 23.4 million tons by 1962—a cut of 5.5 million tons. In 1959 alone, ten pits representing two million tons of capacity will have been closed down, four of them in the Liège field, three in the Centre field, and three in the Borinage. Over the three-year period, nine of the 14 pits in the Borinage will be closed and the remaining five pits in the coal field will be grouped in a single firm.

The major shortcoming of the ECSC transition period—the failure of the Belgian coal owners to use the five-year respite to reorganize their industry—is now on the verge of being remedied. The reorganization being undertaken will, it is hoped, enable the Belgian coal industry to compete successfully in the common market by 1962. It is on this understanding that the High Authority has agreed to further measures to assist the Belgian industry in the coming years. At the same time, the High Authority has recognized that the reorganization must be carried out at a pace which will avoid undue social or economic dislocation.

The first need is to enable Belgian mines to sell their coal. This has been done by authorizing the Belgian Government to make up losses incurred by certain mines in selling their output. For 1959, the High Authority has authorized subsidies amounting to 926 million Belgian francs ($18.5 million). The maximum amount of coal to be subsidized is fixed by the High Authority at eight million tons. For the purpose of subsidy payments, the Belgian pits have been divided into three categories:

1. Those which are already competitive in the common market—these will receive no subsidy.
2. Those which are not yet competitive but which should become competitive; these pits will receive subsidies until such time as they become competitive or until 1962, whichever comes first.
3. Those which are due to be closed under the reorganization plans; subsidies will only be paid to these mines until closure operations begin, and after that readaptation aid will start.

The subsidies are paid to cover losses involved in selling coal at competitive prices. On June 15, the Belgian producers deposited a new price list with the High Authority including lower prices for industrial coal, based on parity with Ruhr coal delivered to Belgian destinations. For mines which were already showing loss before introduction of the new price lists, the subsidies will cover the fall in receipts per ton following the price cuts. For mines which were previously making a profit, the subsidies will cover the fall in receipts per ton minus the previous profit per ton.

For the purpose of calculating the profit or loss, firms will not be allowed to deduct depreciation or interest on capital. Mines which had a loss before introduction of the new price lists will also be able to claim subsidies for that period covering the difference between receipts and operating costs, excluding depreciation and interest. Total cost of the subsidies will be borne by the Belgian Government.

Safeguarding the Interest of the Miners

The closing of 5.5 million tons of capacity will put 27,000 miners out of work between now and 1962. Deducting those for whom readaptation aid has already been arranged and those who will be re-employed without special aid, this still leaves 17,500 miners for whom readaptation measures will be required. For this purpose, the High Authority will set aside $4 million up to the end of this year and $7.5 million for the three years ending June 30, 1962.

Readaptation is likely to take the now general form of making up earnings while unemployed—100 per cent for the first four months, 80 per cent for the second four months, and 60 per cent for the third four months; payment of any displacement and removal costs; making up of earnings in any new job to 100 per cent of the previous level for a year from the time of dismissal; and free vocational training for those who require it.

Council of Ministers Studies Treaty Revision

The plans outlined above were approved by the Council of Ministers on July 31. To make clear their determination to rid Belgium of her special coal problem once and for all, the Ministers made the High Authority's payment of readaptation aid conditional upon the planned closures and reorganization being carried out by the promised date. Until then, the Belgian Government will have to advance the money.

The Ministers also obtained from the High Authority a declaration that coal mines in other Community countries which found themselves in a situation similar to that of the Belgian pits would be able to benefit from similar aid. Since the transition-period provisions* under which readaptation aid is granted expire on February 9, 1960, the Council also agreed to discuss at its next session High Authority proposals for writing similar provisions permanently into the treaty.**

These proposals involve revision of the ECSC Treaty by the procedure known as the "little revision," which can be carried out by the Community's institutions. To come into force, they require a five-sixths majority in the Council of Ministers, the approval on matters of "fact and law" of the Court of Justice, and approval by a two-thirds majority of the European Parliament.

If the proposals go through, it will mean that readaptation aid will continue for workers whose firms cease operation, partly or wholly, or are reorganized to meet structural changes in the market.

Conference on Industrial Redevelopment

Both the Council and the High Authority at a meeting July 31 declared themselves in favor of calling a conference to examine the industrial redevelopment of areas hit by pit closures. The High Authority believes detailed preparation will be needed if practical results are to be achieved and its officials have already been working for some time on a report covering existing practice and experience in the Community countries. The High Authority, which has announced its readiness to aid redevelopment by raising loans, submitted its proposals for organizing the conference at the Council's October session.

Finally, to cover the gap between the emergency aid granted to the Belgian mines—$5 million for miners on part time during the period from April 1 to September 30 this year—and operation of the High Authority's new plans, the High Authority is proposing to the ministers that the emergency aid be extended until October 30.

Unilateral Action on Coal

The High Authority had discussed with the Belgian Government two Belgian decrees, published in the *Moniteur Belge* of September 7. The first of these decrees obliges all Belgian importers wishing to import coal from the Netherlands up till the end of this year to submit their import plans by September 15; on this basis the Belgian Government would grant licenses. The second decree banned exports of Belgian coal to Germany and cancelled until further notice all licenses already delivered.

The High Authority sought an explanation of these decrees, which appeared to be in flagrant contradiction to the ECSC Treaty, during talks with the Belgian Government in Brussels on September 29. The Belgian Government gave assurances to the High Authority that this was not so, and the High Authority stated afterwards that it accepted the Belgian assurance that the first decree was in fact being applied purely as a statistical check and that the second decree had not been enforced. The Belgian Government also promised to keep the High Authority fully informed of all plans for Belgian coal before putting them into operation.

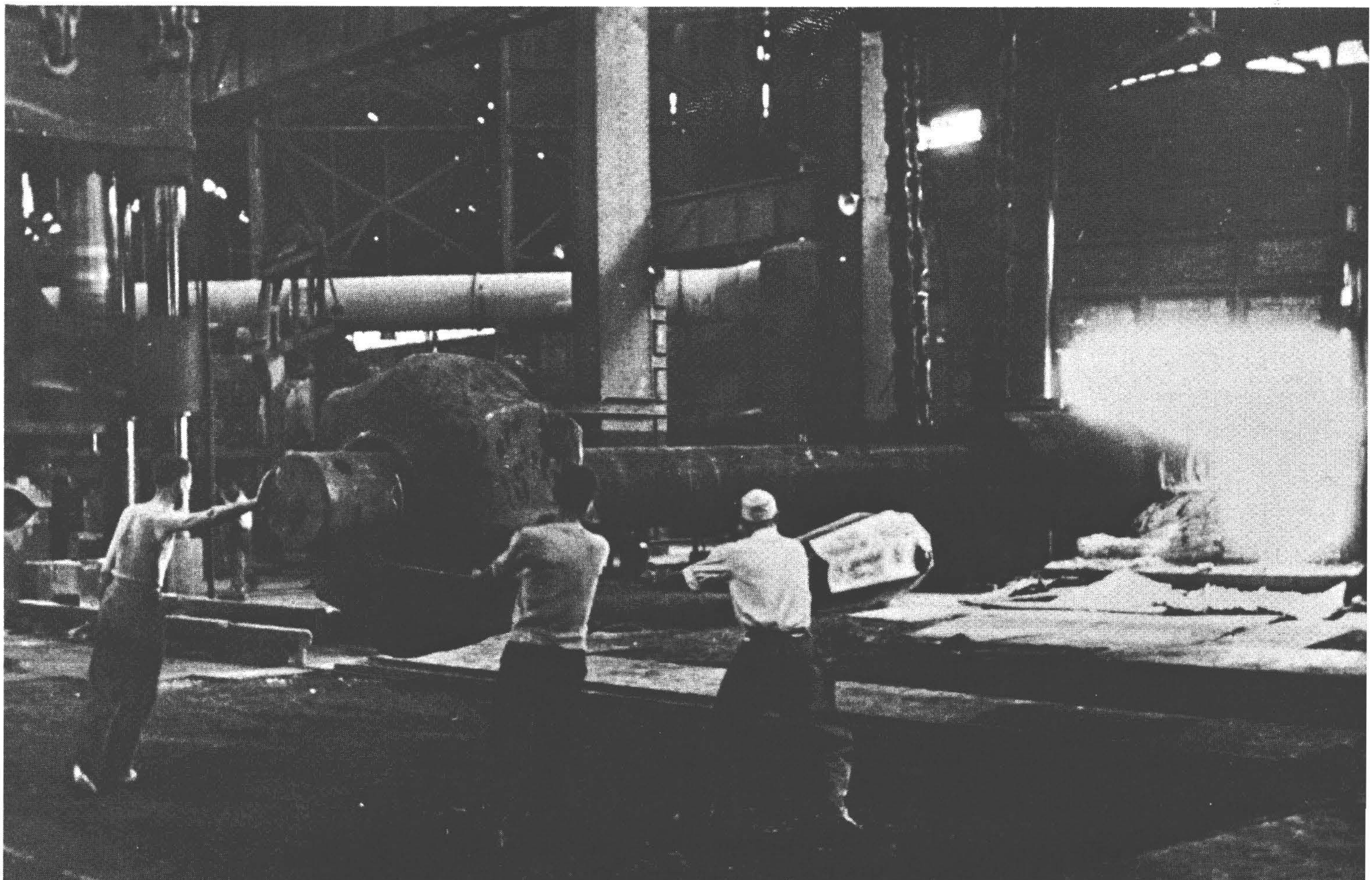
The High Authority had also stated in an earlier telegram to the Belgian Government that it had received numerous complaints from Community producers and from dealers about the difficulties placed by the Belgian administration in the way of issuing import licenses for Community coal. Refusal to grant licenses or delays in granting them also constitute practices equivalent to quantitative restrictions and were contrary to the treaty, the High Authority telegram said.

The position set out in this telegram was endorsed by the new High Authority after it took office on September 16.

* Paragraph 23 of the Convention on the Transition Period; although the transition period expired on February 9, 1958, the readaptation provisions were extended for two years.

** Article 56 of the treaty already contains certain provisions for aiding workers hit by unemployment but they are so restrictive and difficult to interpret that this article has never been applied.

STEEL OUTPUT AT ALL-TIME HIGH 62.5 Million Metric Tons Forecast for 1959



Steel production in the Community has been booming at a rate almost five per cent ahead of last year.

Output of crude steel (ingots and castings) in the European Coal and Steel Community in September reached the all-time record level of 5,538,000 metric tons, compared with 5,072,000 tons in August and 4,794,000 in September, 1958, according to provisional figures published by the Joint Statistics Office of the European Communities. The previous record month was October, 1957, when 5,444,000 tons were produced. The effects of booming industrial production are now evident in all six Community countries and in each of them steel output was substantially higher than a year earlier.

The September figures brought output for the first nine months of this year to 45,821,000 metric tons—4.7 per cent more than the 43,779,000 tons produced in the corresponding period of 1958. The forecast for this year's production is now a record total of 62.5 million tons.

Output of pig iron and ferro-alloys in September was also substantially higher than a year earlier, reaching 4,058,000 metric tons, compared with 3,859,000 tons in August and 3,558,000 tons in September, 1958. This brought output for the first nine months of the year to 33,971,000 tons—3.8 per cent more than the 32,715,000 tons produced in the corresponding period of 1958.

Community coal output rose sharply in September to 19,408,000 metric tons from the low August level of 17,751,000 tons but was still nearly one million tons below the total of 20,397,000 recorded in September last year. The rise in stocks during September slowed down to negligible proportions. The Community's coal production for the nine-month period, at 174,139,000 metric tons, was six per cent below the total of 185,278,000 tons for January-September, 1958.

Provisional figures published by the Joint Statistics Office of the European Communities showed pithead stocks at the end of August at 32,514,000 metric tons, compared with 32,472,000 tons at the end of July. This increase of only 42,000 tons compared with a rise of over one million tons (from 20,295,000 to 21,327,000 tons) in August, 1958. In August this year, a substantial increase in France and a smaller increase in Belgium offset a fall of 274,000 tons in pithead stocks in the German Federal Republic.

Stocks of coke at coking plants rose to 8,339,000 metric tons at the end of August from 8,065,000 at the end of July. In the corresponding period of 1958 stocks rose from 4,237,000 to 4,695,000 tons.

The total tonnage of coal lost in the Community in August through part-time working was 892,000 tons. For the eight months from January to August total tonnage not produced because of part-time working was 9,657,000 tons.

EISENHOWER ON EUROPEAN INTEGRATION

In his annual report on foreign trade agreements, June 25, 1959, President Eisenhower said:

"The Common Market promises to overcome many of the divisive national rivalries that have cost Europe so dearly in the past. In promoting international economic strength, the Common Market will also provide a basis for more stable governments and for stronger defensive forces in the interests of world peace and security. . . .

"The Treaty establishing the European Economic Community (EEC) has thus far been the most conspicuous and significant example of regional integration. . . .

"The United States supports the Common Market and the concept of increased European integration underlying it on political, economic and security grounds. . . .

"The promise of the Common Market, both for member states and for other countries, is reinforced by the continued emphasis which the EEC Commission has placed upon the open and outward-looking nature of the Community. . . ."

Newsbriefs

Common Market
Euratom
Coal & Steel Community

The Future Course of European Integration

Belgian Foreign Minister Pierre Wigny has held informal discussions with other Community governments on the next steps in European integration. He has seen Italian Foreign Minister Guiseppe Pella in Rome and General de Gaulle and French Foreign Minister Couve de Murville in Paris. During his Paris visit, M. Wigny also talked to Jean Monnet, Chairman of the Action Committee for the United States of Europe.

According to press reports, M. Wigny proposed that means of achieving closer cooperation between the three European executives should be studied. He also discussed ways in which the transition period of the Common Market could be shortened—a subject on which the Commission of the Common Market is now drawing up suggestions—and is believed to have discussed ways of cooperation between the Six and the other OEEC partners.

Finally, the press reports attributed to M. Wigny plans for setting up a European political community, as opposed to the "political secretariat" which has recently been suggested. For the moment, he envisages regular consultation between the six foreign ministers, reports said.

Common Market to Make Wage-Cost Study

The European Economic Commission is making a study of labor costs in a dozen of the Community's industries, the Commission has disclosed in an answer to a question by European Parliament member Gerard M. Nederhorst. It adds that this investigation will at the same time yield information on wages in the six countries.

The study is being modeled on the studies made by the Coal and Steel Community's High Authority over a number of years, and to calculate wage increases it will use the methods of comparing real wages evolved by the ECSC.

Congressmen Studying Common Market

Three members of the House Foreign Affairs Committee departed on a month-long tour of Community countries in October. Headed by Representative Frank M. Coffin (Dem., Me.), the group included Representatives Cornelius E. Gallagher (Dem., N.J.) and Alvin M. Bentley (Rep., Mich.). In the course of their on-the-spot investigation, they planned to meet with Congresswoman Edna F. Kelly (Dem., N.Y.), chairman of the subcommittee on Europe.

Representative Coffin said that the purpose of the tour was "to study and report on the organization and functions of the Common Market, its internal problems and potential, the issues involved in its trade relations with the other nations of free Europe, its possible future political and economic impact on the United States, and any suggestions that merit policy consideration by our government."

Berlin's Brandt to Brussels and Luxembourg

The executives of the three European Communities invited Willy Brandt, Mayor of West Berlin, to visit Brussels and Luxembourg in October.

West Berlin not only is an integral part of the Community but is also the subject of a special "Common Declaration" in the Treaty of Rome which pledges the six governments to "undertake to use their good offices within the Community in order that all necessary measures may be taken to ease the economic and social situation of Berlin, to promote its development and to insure its economic stability."

Scandinavian Ambassadors to Euratom

The Norwegian and Swedish Governments this fall accredited ambassadors to the European Atomic Energy Community. Otto Kildal, Norwegian Ambassador to Belgium, presented his credentials as Ambassador to Euratom to President Étienne Hirsch on September 22 in Brussels. Baron Karl-Gustav Lagerfelt, Swedish representative to the European Coal and Steel Community, presented his credentials to President Hirsch on October 8.

Common Market President Walter Hallstein (left), meeting in Strasbourg with Council of Europe Secretary General Lodovico Benvenuti, discussed broadening cooperation.

New CM Talks with Council of Europe

The Commission of the Common Market and the Council of Europe have agreed to increase their cooperation. Common Market Commission President Walter Hallstein and Commissioner Jean Rey on September 25 discussed with Lodovico Benvenuti, the Council of Europe's Secretary-General, ways of developing cooperation under a recent agreement between the Commission and the Committee of Ministers of the Council of Europe.

The three decided to develop to the maximum the co-operation possibilities offered by the agreement and also to re-examine the latter to see how cooperation could be developed still further in the light of experience.

The agreement provides for transmission of the Commission's annual report to the Council of Europe and of the statutory report of the Council of Europe's Committee of Ministers and its secretary-general's report on European cooperation to the Commission. The agreement also provides for exchange of information, attendance by Commission experts at certain Council of Europe meetings, and cooperation between the secretariats of the two bodies.

First U.S.-Euratom Research Contracts

The U.S.-Euratom Joint Research and Development Board has announced the award of the first contracts under the joint nuclear research and development program. The three awards total approximately $880,000.

The U.S.-Euratom Joint Board is continuing its review of more than 200 proposals received so far from American and European firms in response to invitations issued last December to industry, research organizations and educational institutions to participate in the joint program. Cost of the program for the first five years is expected to total some $100 million, shared equally between Euratom and the U.S. Atomic Energy Commission.

The firms receiving the first three awards are: American Standard Corporation, for cladding ceramic-plate fuel elements by spray and for coating techniques; Battelle Memorial Institute, for boiling heat-transfer and void distribution on studies with water coolants; and Compagnie Industrielle des Céramiques Electroniques of France, for a proposed study of extrusion of uranium oxide.

The joint research and development program is complementary to the joint power reactor program set up under the U.S.-Euratom Agreement for Cooperation in the peaceful uses of atomic energy, signed in Brussels on November 8, 1958.

U.S.-Euratom Loan Contract Signed

The loan contract for $135 million which had been negotiated with the Euratom Commission was signed on August 27. Samuel Waugh, President of the Export-Import Bank, signed for the United States. Signing for the European Atomic Energy Community were Enrico Medi, Vice President of the Commission, and Commissioners Paul Hubert de Groote and Heinz Krekeler.

The line of credit may be used to finance purchase of reactors under the U.S.-Euratom joint power program as well as the costs of manufacture of the initial charge of fuel and expenses relating to technical services. The credit will not be used to finance more than 40 per cent of each power station. Total cost of the power program is estimated at $350 million, with $215 million to be supplied by European sources. The loan runs for 20 years at 4½ per cent interest.

First High Authority Loan Guarantee

The High Authority has decided to grant its guarantee for loans of up to $15 million which may be contracted by the *Société Dunkerquoise de Sidérurgie* for construction of a new steelworks on the French North Sea coast. This is the first time that the High Authority's power to guarantee loans has been used. The High Authority's credit standing stems partly from its power to levy a tax on production of coal and steel in the Community and partly from its guaranty fund of $100 million.

The first stage of construction envisages: unloading plant and storage space for ore, a burden preparation shop with agglomeration line, a blast furnace 8.5 meters in diameter, an oxygen-blast converter shop with two 80-ton converters, a heavy plate mill, ancillary plant and workers' housing.

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, 1959.

Holders of such bonds may obtain this revised text from:

THE CHASE MANHATTAN BANK
Corporate Agency Department
43 Exchange Place, New York, New York
or
THE HIGH AUTHORITY
of the European Coal and Steel Community
Luxembourg

LEGAL CONFERENCE PLANNED

In February, 1960, the Federal Bar Association, in collaboration with other U.S. legal associations, will sponsor a three-day institute in Washington on the existing and emerging legal aspects of the European Community. It will mark the first conference on this subject in the United States.

Community and American legal experts specializing in such fields as patent laws, cartels and trade restrictions, transport, labor, taxation, capital exchange, customs, licensing, etc. will conduct the seminars which will be open to members of the legal profession.

Principal speaker and guest of honor will be Jean Rey, member of the Common Market Commission and chairman of EEC's special committee studying relations with third countries. Other Community officials who will participate in the institute include Michel Gaudet, director of the Joint Legal Service, and Fernand Spaak, deputy director of ECSC's Division on Agreements and Concentrations.

Further information may be obtained by writing to the Federal Bar Association, 1737 H Street, N.W., Washington, D. C.

Progress with the External Tariff

Agreement on the external tariff in the case of products in List G of the Rome Treaty is expected before very long. These are the tariffs which, rather than being determined by arithmetical average of the duties of the six member countries, are to be settled by special negotiations. The new external tariffs will begin to take effect on January 1, 1962.

Common Market President Walter Hallstein stated that the aim of the Commission was to settle the tariffs early enough to publish them well in advance of the GATT meetings in Geneva beginning September, 1960, in order to allow third countries sufficient time for study. Products included in List G account for about 20 per cent of Community imports and include certain farm products, chemicals, petroleum derivatives, wood, textiles, metals, and machines.

Publications Available

BOOKS

Catalogue analytique du fonds Plan Schuman-CECA conservé à la Bibliothèque de l'Assemblée, Volume III, May, 1959 .... $2.00

Investment in the Community Coalmining and Iron and Steel Industries, July, 1959 .... $1.00

Rapport spécial de la Haute Autorité à l'Assemblée Parlementaire concernant la question charbonnière (31 January-15 May 1959) .... 80¢

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INDEX to issues 30 through 38, May 1958 - November 1959

References in this index supplement are listed according to issue number and page.

This index has been prepared especially for librarians, journalists, students, and readers who maintain a file of the *Bulletin from the European Community.* It is the third index issued since the bulletin was first published in October, 1954. A limited number of copies of the second index, covering the period from September, 1956, through April, 1958, are still available from the Washington office of the European Community Information Service. A fourth index, covering Bulletins No. 39 through 43, is in preparation.

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