



*Bulletin from the*

# EUROPEAN COMMUNITY

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

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## EUROPEAN UNITY ADVANCES ON THREE FRONTS

### Speeding up Common Market, Direct Elections to European Parliament, Fusion of Three Executives

The postwar history of European unification has been one of extraordinary endurance and resilience. Each time when the outlook has seemed most gloomy, the idea has been put forward again and reinvigorated.

The month of May, 1960, will almost certainly turn out to have been one of those moments of historic progress. After a period when the doubts of many had been aroused about the will of some of the member states to accept real unity, major moves in three key sectors were made.

1. Undoubtedly the most important in immediate practical effect was a decision by the Six to speed up the implementation of the Common Market. This means that the six governments have taken advantage of the current economic boom and of the favorable attitude of industry to move more rapidly toward a full customs union with a common external tariff. For the Six there can be no question now of going back, for by the end of this year they will be irrevocably on the way toward forming a single economic unit as far as their relations with the rest of the world are concerned.

2. The second move was the adoption by the European Parliament on May 17 of a draft convention on election of the Parliament by direct universal suffrage. This would create for the first time a Parliament directly responsible to the electorate of the Six countries.

3. Finally, the pressure for unification of the three Community executives—the Common Market and Euratom Commissions and the High Authority of the ECSC—is rapidly mounting. On May 16, Euratom Commission President Etienne Hirsch proposed, before the European Parliament, the establishment of a single executive which would exercise all the powers presently held by the three existing executives. Five days later, High Authority Vice President Dirk Spierenburg made a similar proposal in a speech to

the European Movement in the Netherlands. And on June 10, H.A. President Piero Malvestiti described the need for such a merger as “urgent” when he spoke before a private organization in Madrid.

These three moves may well prove to be among the most significant of the “concrete steps” by which, in his famous declaration of May 9, 1950, Robert Schuman urged that Western Europe be united.

### *Community to Hold Practical Talks with EFTA*

The meeting of the Council of Ministers which decided to speed up implementation of the Common Market also made a gesture of good will toward the seven countries which form the European Free Trade Association (EFTA)—Austria, Britain, Denmark, Norway, Portugal, Sweden, and Switzerland.

In a “declaration of intent,” the Council stated its readi-

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ness to start negotiations with the EFTA countries in the framework of the Committee of 21 to insure the maintenance of traditional trade between the Six and the Seven and, if possible, to increase this trade.

The Council stressed again the determination of the Six to pursue a liberal trade policy with relation to other countries, particularly European countries. In seeking such cooperation with a view to reducing trade barriers, the principles of the General Agreement on Tariffs and Trade (GATT) must be respected, and the establishment of the customs union of the Six must not be jeopardized.

The Six recalled their decision of November, 1959, proposing that a contact Committee be set up to watch over developments in trade and to find ways of meeting difficulties which might arise.

On June 10 in Paris, the Committee of 21 decided to establish a study group open to all its participants to examine:

1. Reciprocal trade concessions within the GATT,
2. Specific data on trade between member countries of the 21 and means of meeting particular difficulties, and
3. Future developments in such trade currents.

The study group, which was to hold its first meeting early in July, will report back to the Committee of 21 between the middle and end of September.

### ***Acceleration Toward Faster Economic Union***

The acceleration of the implementation of the Common Market Treaty, said Economic Commission President Walter Hallstein, would strengthen the Community internally and reaffirm its existence; it would also give the Community a greater capacity to pursue a liberal policy toward other countries.

The acceleration decision:

- speeds up the removal of barriers to trade within the common market;
- brings much closer the date when the Common Market, through its common external tariff, will become a single economic unit in its dealings with the rest of the world;
- by strengthening the Community, enables it to adopt an increasingly liberal policy toward the rest of the world;
- shows how, in the interest of unity, two Community countries—Germany and the Netherlands—were prepared to make major concessions in a sector (agriculture) vital to national interests.

What Acceleration Means

#### 1. Removal of Internal Trade Barriers

- Quota restrictions on trade in industrial products between the Six will now completely disappear by December 31, 1961. Previously this measure was not to take effect until the end of the transition period (1969 at the earliest);
- Tariffs on goods traded between the Six will be reduced by an additional 10 per cent by the end of this year; with the reduction of 10 per cent effected on January 1, 1959, and with the second 10-per-cent cut which took place under the Common Market Treaty on July

1, 1960, this will make a total reduction of 30 per cent by the end of the year instead of 20 per cent originally planned. By the end of June, 1961, the Council of Ministers will decide whether the reduction of 10 per cent due at the end of next year will be enlarged by an additional 10 per cent cut, making the total reduction by that date 50 per cent instead of the 30 per cent laid down in the Rome Treaty.

#### 2. Speedier Application of Common External Tariff

- The member states will make the first move to bring existing national tariffs into line with the common external tariff by December 31, 1960, a year ahead of the Treaty deadline. By this date, national duties which vary by 15 per cent above or below the duty level of the common external tariff must be changed to equal the common tariff. All other tariffs, whether higher or lower than the common external tariff, must move toward the common tariff by eliminating 30 per cent of the difference between the national tariff and the common external tariff. This means, of course, that tariffs which are higher than the level of the common external tariff will move down, and tariffs which are lower will move up.

- These adjustments will be made on the basis of the common external tariff reduced by 20 per cent so long as this move does not bring duties below the level of the future common external tariff. Products included in List G, for which duty levels were fixed in negotiations between the member states instead of by the arithmetical average of the national tariffs, will also be subject to this provision, though a member state may ask that particularly sensitive products be excluded.

The cut of 20 per cent in the level of the future common external tariff is provisional but may become permanent, in whole or in part, if adequate reciprocal concessions are obtained from other countries during the world-wide tariff negotiations to take place in the GATT in 1960.

#### 3. Agriculture Included

- The removal of internal trade barriers for agriculture will not be as fast as that for industry, but it will also be speeded up. Tariffs on farm products will be reduced by an additional 5 per cent, making the total cut by December 31 this year 25 per cent instead of the 20 per cent set by the Rome Treaty.

Quotas on farm products will be increased by 20 per cent a year, and each global quota must reach a minimum of 5.2 per cent of national production for each member state by 1961, with the exception of certain products for which annual import quotas will be fixed at the average for the three years 1955-57, plus an additional 10 per cent each year for 1959, 1960, and 1961.

- The Community will speed up the application of a common agricultural policy. The Council of Ministers asked the Common Market Commission to make its final proposals by June 30; it promised to start discussing them by July 31 at the latest and to set up a special committee which would prepare the Council's decision and report by October 15.

4. Acceleration of a Common Economic Policy

- The Six confirmed their intention to accelerate implementation of the Treaty not only in the lowering of internal trade barriers, but also over the whole field of economic integration. By August, the Common Market Commission must present concrete proposals:
- to speed up application of the social provisions of the Treaty, particularly vocational training and free move-

ment of workers, social security provisions, and equal pay for men and women;

- to accelerate the application of a common policy in matters of competition, transport, and the right of establishment;
- to speed up the economic development of the associated overseas countries and insure that they benefit fully from association.

**THE PROPOSED FEDERAL REVISION:** How a Fusion of the Executive Branches Would Alter the Structure and Balance of the Community Institutions

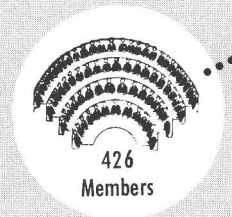
**THE EUROPEAN COMMUNITY EXECUTIVE BRANCH**

Areas of Responsibility

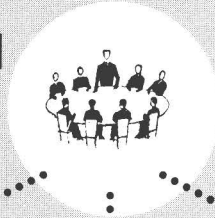
General Economic Affairs • Atomic Energy Affairs • Coal and Steel Affairs

**Special Agencies and Committees**

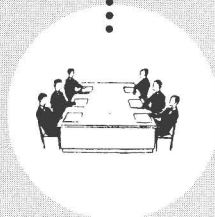
- Economic & Social Committee
- European Investment Bank
- Monetary Committee
- European Social Fund
- Overseas Development Fund
- Nuclear Supply Agency
- Joint Nuclear Research Centers
- Scientific and Technical Committee
- Coal and Steel Consultative Committee



**THE PARLIAMENT**



**THE COUNCIL OF MINISTERS**



**THE COURT OF JUSTICE**

**PRESSURE MOUNTS FOR FUSION OF THREE EXECUTIVES**

**Hirsch and Malvestiti Go on Record in Favor — Socialist Parties Support Plan Too**

“Just as there is a single Parliament and a single Court of Justice for all three Communities, it is essential to set up a single executive branch as soon as possible . . . ,” Euratom Commission President Etienne Hirsch told the European Parliament in Strasbourg. The President gave his strong support to the idea of a single executive when he presented Euratom’s Third Annual Report this spring.

Mr. Hirsch spoke only a short while after Common Market Commission President Walter Hallstein had given the Parliament the details and significance of the decision to speed up the Common Market. It was the first time that a president of one of the three Community executives had proposed the merger of the two Commissions and the High Authority, and the warm welcome given to this proposal by the representatives of the political groups in the Parliament was an indication of the support this idea is likely to gather in the coming months.

**No Dilution of Powers**

Piero Malvestiti, President of the High Authority of the European Coal & Steel Community, echoed these sentiments in a speech given in Madrid June 10. “It is urgent

that we bring about the merger of the Common Market, Euratom, and the European Coal and Steel Community,” he said, adding that this merger was one of the most important economic questions facing Europe today, along with the relationship between the Six of the Community and the Seven of the EFTA. Mr. Malvestiti was addressing the Spanish Association for European Cooperation, a private organization, on the general subject of large economic areas.

President Hirsch made it clear that he was speaking for all his colleagues on the Commission. “Insofar as that depends on us,” he said, “my colleagues and I are ready to remove all obstacles which might oppose the creation of a single executive and to aid in attaining this important stage in the formation of a United States of Europe.”

M. Hirsch said, “It seems to us necessary that, by reason of their experience, the High Authority and the two Commissions should be associated with this development. It goes without saying that the institutional heritage of our Communities must be safeguarded in its entirety and that the new executive must exercise all the powers vested in the existing executives.”

## **Spierenburg: Cooperation between the Three Executives Not Enough**

Only four days later, the senior Vice President of the High Authority, Dirk Spierenburg, speaking at Zwolle in the Netherlands, told his audience that in the long run there could be no effective solution other than the creation of a single executive responsible for applying all three Community treaties.

"It is clear," he said, "that the interests of the Community of the Six and the effective application of the three treaties—ECSC, Common Market, and Euratom—are not served by the existence of three independent executives. A policy based on the Community as a whole is necessary.

"You might reply that this aim could be achieved by close cooperation between the executives. We have committees of presidents and interexecutive working groups. We have joint services. Experience has convinced me that this is inadequate. . . . It is my belief that as long as the executives remain independent a really unified policy remains an illusion. Each executive pursues its own policy because it has its own separate responsibilities. . . .

"The situation can in the long run be improved only through the formation of a single executive entrusted with the implementation of the three treaties and responsible to a European Parliament elected . . . by direct universal suffrage. . . .

"Naturally, in any revision of the treaties, we run the risk that certain quarters will insist on a weakening of the powers which the ECSC Treaty has vested in the High Authority.

"But is not supranationality exposed to even greater danger through the maintenance of a system of partial integration which, in the long run, will no longer be able to be exercised effectively?"

Mr. Spierenburg went on to say the unification of the three executives was probably the best service which could be done to the supranational idea in Europe. "At the same time, we should clearly have to safeguard what has already been achieved," he concluded. "We should insist that the powers of the High Authority were handed over undiminished and intact to the new common executive, which should be enabled to exercise them effectively."

### **Monnet Committee's Idea**

The idea of merging the three Community executives has not come as a complete surprise. Jean Monnet's Action Committee for the United States of Europe has been urging it for many months.

The Socialist parties of the six countries have also been debating the plan for some time. On May 9 they concluded their fourth conference with a resolution urging that the three Communities be merged under a single executive and that the supranational nature of the Community be strengthened by granting greater powers to this executive and to the European Parliament.

The resolution added, however, that the political conditions for implementing the total program quickly were not obvious at the present time. It suggested that for the moment a single executive responsible for energy policy as a whole, whose supranational powers should be at least equal to those of the High Authority, could be envisaged.

## **DIRECT ELECTION PROPOSED FOR PARLIAMENT**

### **Parliament of the Six Votes Draft of Direct-Election Project Unanimously**

Less than a week after the Council of Ministers had decided to speed up the implementation of the Common Market, the European Parliament took a major step toward the creation of a politically united Western Europe. It adopted unanimously, with 12 abstentions, a project for election of its members by direct universal suffrage. At present, its members are nominated by the six national Parliaments in proportion to party strength in those Parliaments.

The Parliament thus fulfilled a task it was called on to carry out by the three Community treaties. The draft project, which now goes to the Council of Ministers, must be approved by the Ministers and ratified by the six national Parliaments before it comes into effect. The Parliament expressed the hope that the Governments would push the project through speedily to enable the first European elections to be held in 1962 or 1963.

It added that a Parliament elected by direct universal suffrage would "constitute an essential element in European unification."

The draft proposals, which despite the unanimous vote of approval were the subject of long and sometimes bitter debates over points of detail, are outlined below.

### **A Full-Sized European Parliament**

In accordance with the tasks of a parliament that represents nearly 170 million inhabitants, the project proposed that the number of members be raised from 142 to 426, to be divided among the six countries in the following proportions:

Belgium	42	Italy	108
France	108	Luxembourg	18
Germany	108	Netherlands	42

The 426 members would be elected for five-year periods; they would vote individually and personally and would be forbidden to accept instructions of an 'imperative mandate.'

### **Special Measures for a Transition Period**

Temporarily, until the end of the Common Market's transition period, only two thirds of the members of the Parliament would be directly elected. The other third would

continue to be appointed by the national parliaments by a procedure assuring "equitable representation" to the political groups.

### ***Elegibility for Membership***

During the transition period, members would be able to sit in their national parliaments and in the European Parliament at the same time. Membership in the European Parliament would, however, be considered incompatible with membership in one of the Community executives or other Community institutions or in a government of one of the Six countries. Any member of the Parliament assuming such duties would be required to resign his seat.

After the end of the transition period, the fully elected Parliament would itself decide on questions of incompatibility.

The debate on the question of incompatibility was particularly animated. An amendment by Belgian Christian Democrat Philippe de Hodey would have altered the text to allow members of the three Community executives to sit in the Parliament. M. le Hodey, and several influential speakers who followed him, thought that this would be one of the most reliable ways of insuring that men used to political responsibilities, rather than technicians or officials, were appointed to the executives. "We must decide whether we are going to have a European government or merely a European secretariat," he said.

Despite M. le Hodey's persuasiveness and support from several influential members the amendment was defeated.

Dutch Socialist M. van der Goes van Naters thought the time was not yet ripe for such a step.

### ***How Elections Would Be Held***

- All people on the electoral rolls of the six countries would be entitled to vote in the election of the European Parliament, provided they were over 21 years of age.
- The minimum age for candidates would be 25.
- All parties authorized in the individual member states would be able to put forward candidates. The Communists would thus be able to present candidates in all the Community countries except Germany, where the party is illegal.
- The election would be held on the same day in all member countries but could not take place on the same day as national elections.
- There would not be a by-election if a seat became vacant.
- Candidates must obtain at least 10 per cent of the vote cast in their constituency to obtain the refund of certain election expenses.
- In other respects, the first European elections would be held in accordance with the election rules valid in each of the member states; at the end of the transition period, the first fully elected Parliament would itself draw up rules establishing as uniform as possible a procedure for the whole of the Community.

## **COMMUNITY OFFICIALS ADDRESS THREE-DAY WASHINGTON CONFERENCE**

### **Jean Rey Main Speaker at Institute on Legal Aspects of the European Community**

More than 200 American lawyers gathered in Washington for a conference sponsored by the Federal Bar Association entitled "An Institute on Legal Aspects of the European Community" on February 11-13. The principal purpose of the conference was to study the legal problems created by the establishment of a unified market in Western Europe that will abolish trade frontiers, promote mass production and develop higher productivity. The Institute was described as the first one of its kind in the United States and as "an experiment in international business and legal education."

A community delegation in Washington for the Institute was led by Jean Rey, member of the Commission of the European Economic Community, who made the major address at the conference banquet February 11. He told his American audience, "that even if the strength of the Common Market should create problems of economic competition for you yourselves and if the lower wage level in Europe were to become a source of difficulty for you in some sectors, it is no less true that the advantages of the undertaking itself are incomparably greater than any of its possible drawbacks."

Other Community speakers at the Institute include Michel Gaudet, Director-General of the Joint Legal Services of the European Community; Pieter Verloren van Themaat, Director-General, Department of Competition,

EEC; Theodor Vogelaar, Director-General, Legal Services, Euratom; Fernand Spaak, Director, Anti-trust Division, ECSC.

Co-sponsors with the Federal Bar Association were: The Section on International and Comparative Law of the American Bar Association, The American Society of International Law, The American Foreign Law Association, The Washington Foreign Law Society, and The Foreign Law Committee of the Bar Association of the City of New York.

### **Conference Proceedings Published**

The transcript of the talks given at the Federal Bar Association's Institute on Legal Aspects of the European Community has recently been published in book form. Numbering 218 pages, it contains the substance of the conference, each chapter having been edited by the speaker concerned to include material from the question-and-answer period. A special introduction has been written by Mark S. Massel of the Brookings Institution.

Copies of the Proceedings may be obtained at \$10 each by writing to the headquarters of the Federal Bar Association, 1737 H Street N. W., Washington, D. C.

# ECONOMIC AND POLITICAL UNITY IN EUROPE

## An interview with JEAN MONNET for the "Bulletin From the European Community"

Following is an interview with Jean Monnet who has become known in the free world as "the architect of Europe." M. Monnet is now President of the Action Committee for the United States of Europe.

*The fundamental role which you played in the declaration of May 9, 1950, is well known. What aims did you set yourself at that time?*

One has to remember where we were in 1950. It was only five years after the war, and the misfortunes which Europe had gone through were still there for all to see. For Europe to rise again, it was essential to end Franco-German rivalry and, moreover, to create the conditions of large-scale production which would enable the Europeans to improve their living standards.

That was why on May 9, 1959, Monsieur Schuman proposed the establishment of a common market of 160 million consumers which would bring Europe into the age of continental groups which we live in.

The proposal of May 9 limited this common market to coal and steel. The first task was to make war impossible and to prove that a pooling of economies was possible.

In addition, for countries to be genuinely united in a single market, they had to accept that the same rules be applied for all and that common institutions administer these rules in the general interest.

These institutions have been a fundamental principle of all the recent developments in European unity. This is indeed the process of civilization itself: peoples long separated by history cannot succeed in uniting unless they create a common interest expressed by common forms of government.

*Ten years after the declaration of May 9th, to what degree do you consider these aims have been achieved?*

You can see for yourself the extraordinary change in people's attitudes in ten years. Franco-German reconciliation, which appeared miraculous only a few years ago, is today considered an accomplished fact. The Coal and Steel Community, which was the first step in economic union, has, in spite of the failure of the European Defense Community, brought forth Euratom and the Common Market.

Today, everyone considers the Common Market as a reality and the only question is whether we should speed up its application. Europe, which seemed a distant, if not utopian ideal ten years ago, bids fair to become an everyday reality.

When you consider that we have undertaken to unite for the first time countries with an advanced industrial civilization and a past filled with so much mistrust and struggle, it is clear that the progress we have made since 1950 is immense.

*Do the aims of European political integration which were set out in 1950 remain valid today?*

The objective remains the same: to bring together countries long divided, in a United States of Europe.

But, as we advance toward the creation of this union, the prospects widen, and new possibilities arise. The building in Europe of a Community open to all constitutes the main haven of evolution in the Western world.

Its success is prompting Britain to draw closer to it. To realize this you only have to read the reactions of the British press and also those of the trade unions in recent weeks to the proposals for acceleration of the Common Market.

As for America, the prospect of the Common Market has brought to a close the post-war period in which aid was a one-way movement with the Americans always at the giving end.

You know that at the moment a joint organization is coming into being in which America will take part on the same basis as the European countries. This joint organization opens up vast new prospects: prospects of Western policies in line with global requirements.

I am thinking of the economic expansion of the countries of the free world. I am also thinking of the aid to be granted to underdeveloped countries which aspire to the benefits of modern civilization and, beyond that, to *modus vivendi* with the Eastern bloc which could, little by little, become the outline of a new world equilibrium.

In all this, the dynamism of a Europe on the road to unification, acting as the driving power of the West, will be a major force for progress.

*Which way seems to you the best to achieve a United States of Europe?*

The feature of the progress made so far in uniting Europe has been the step-by-step advance by means of concrete measures bringing solutions to problems as and when they have arisen.

In the future as in the past, European union must develop naturally, step by step and in a practical way. I think we are at the moment going through a phase of economic unification in Europe. The speeding up of the implementation of the Common Market in the field of trade, the application of common policies—I am thinking, for example, of agriculture and energy—all this is creating the conditions for European unity.

I think we should work toward the fusion of the executives of the three Communities which is becoming more and more urgent, and which could be rapidly achieved—by 1962. Economic unity would be powerfully aided by the existence of a single executive.

At the moment, a new stage would have been reached. I don't think one can say today what possibilities will then be opened up for achieving the political unification of Europe. In the same way, in 1950, it was not possible to envisage the economic union which is today well on the way to being achieved.

But I believe that, just as the Coal and Steel Community made the Common Market possible, and the Common Market is bringing about economic union, so, tomorrow, economic union will create the conditions from which political unity will derive.

# AFRICA AND THE EUROPEAN COMMUNITY

*Robert Lemaigen,  
Member of the Commission  
of the European  
Economic Community.*



"The winds of change," in the words of British Prime Minister Mr. Harold MacMillan, "are blowing through Africa." In March, M. Robert Lemaigen, the Member of the Common Market Commission chiefly responsible for its relations with associated overseas countries and territories, reported on his recent impressions in the interval between two visits to the rapidly changing continent. The following are his answers to questions put to him.

*What in your opinion is the most important change that has taken place in the countries you visited (Niger, Mali, and Mauretania) since you were there in 1957?*

I was particularly struck by the veritable revolution that is transforming economic and social life—especially in the field of agriculture.

Since they came to power, the African governments, which enjoy a real independence, have set to work with admirable determination and common sense and are making nation-wide efforts to raise the standard of living. Young people have been mobilized, in one way or another, and they all share the same faith—almost a "mystique" of progress.

In every center area of any importance there is a "Rural Development Center" (to give it the name it bears in the Mali Federation) where farmers of between 25 and 35 spend a fortnight in intensive civic or agricultural training.

At the same time, and again in different forms according to the different localities, either the whole population in the slack part of the farming season, or else just the younger people, set about public works—roads, building, irrigation, and so on—under skilled supervision and with the aid of modern machinery.

When you compare this with the apathy of the past, you begin to wonder whether that wasn't partly due to a kind of "irresponsibility complex" which has disappeared now that these people feel that they are working on their own account.

*What has been the effect on Franco-African relations of the movement of the former overseas territories in the direction of independence?*

Both in the public and in the private domain, relations between Africans and Frenchmen are excellent. Many people in France were uneasy about the difficult transition—difficult for both sides—from even a very mild degree of subordinate status to independence and cooperation. Apart from a few very isolated cases, it can be said that this has been achieved in an atmosphere of friendly partnership in an undertaking whose importance and greatness is realized both by Europeans and by Africans. A number of technical advisers trained in France are working constantly

side by side with African ministers in harmony both in thought and in action.

No one doubts the need for maintaining close links with France. There are two conditions for maintaining these ties successfully: firstly, independence must be respected in letter and in spirit; secondly, nothing must hinder the work of modernization.

*You have spoken of the French African Community. What do Africans think of the European Community, of the Common Market?*

I think every one is struck by the strength of the European Community and by the success with which it has gotten under way, as the facts and figures show. So far, quota and tariff disarmament has not gone far enough to produce appreciable differences in prices and supplies on the consumer market; but together with the African Ministers of Economic Affairs, we are keeping a watch on these developments, from which the populations concerned expect an improvement in their purchasing power.

Finally, people are clearly eager to see the effects of the Common Market's Development Fund. We have just been able to provide for the opening of credits for the countries I was visiting that amount to more than 4 billion dollars. These will be devoted to economic and social projects such as roads, hospitals, dispensaries, schools, etc. . . . Some larger projects are also under study and will probably reach a final decision before July.

*What are the chief difficulties that face the Africans who are now on the road to independence?*

It's undoubtedly too early to pass a definite judgment on something for which history provides no exact precedent—the deliberate and progressive achievement of independence by cooperation between former colonial power and its former colony. Still, what one can say for the present is that it has made a good start and that the prospects for success are favorable.

On the other hand, since possible stumbling blocks must be clearly mapped, I think I ought to stress one really basic difficulty—that is, the absolute lack of local capital. Help from outside, therefore, must supply not only a large proportion of the necessary investments, but also—and this is perhaps less generally realized—the working capital of trade itself, which is particularly large in economies where its circulation is slow, both in selling abroad and in the distribution of imported goods. This will continue to be the case so long as local savings are insufficient.

*What lessons can Africa draw from the Common Market?*

There is one potential danger for Africa—that is, economic fragmentation resulting from political fragmentation. Customs and other barriers between neighboring states that are economically interdependent could quickly lead to a drastic slowing down of trade between them.

The means to prosperity that form the basis of the Common Market—free circulation of goods, capital, and persons—are as valid for Africa as for Europe. Association with the European Community, moreover, implies their acceptance and their use.



Jean Rey, Common Market Commission member (third from left), arrived at National Airport, Washington, D. C., earlier this year for an Institute on the Legal Aspects of the European Community sponsored by the Federal Bar Association. On hand to meet Mr. Rey were (left to right): Edwin W. Martin, Deputy Assistant Secretary of State for Economic Affairs; District Commissioner Robert E. McLaughlin; Representative Frank M. Coffin, Member of the House Committee on Foreign Affairs; and Whitney Gilliland, President of the Federal Bar Association.

## THE EUROPEAN IN THE



Euratom visit to the Argonne National Laboratory during a two-week tour of U. S. nuclear research and development by Heinz Krekeler (right), member of the Euratom Commission, and other members of the Commission. The visit covers economic and technical aspects of the Euratom program and atomic power plant programs with Atomic Energy Commission's Argonne Laboratory.



European license plates: outside the Common Market headquarters on the Ave. de la Joyeuse Entrée in Brussels, parked automobiles belonging to Community officials are shown with their special "European" licenses. The license plates carry the letters EUR and six stars in white on a blue background and the registration numbers in red on a white background. The European registry in Belgium is optional under a royal decree of August 4, 1959.



One of a group of trainee-officials from Africa is Adamo Oissoko, who works in the Common Market's Overseas Development Division (formerly the Overseas Countries and Territories Division). Mr. Oissoko is an official on leave from the Postal, Telegraph and Telephone Authority of the Sudanese Republic.





# COMMUNITY NEWS

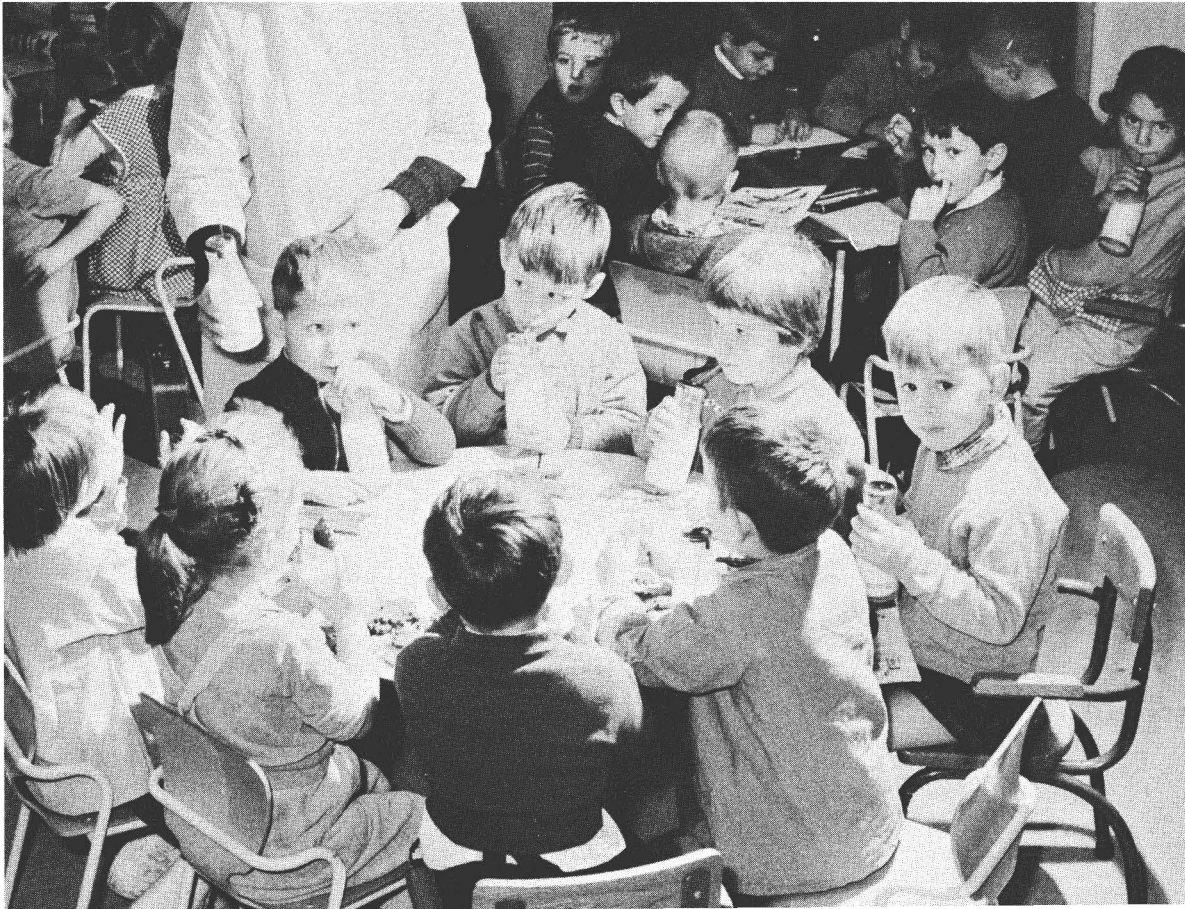


European department stores feature Common Market prices: this Brussels department store is one of several in the Community to develop sales campaigns based upon prices reduced to the approximate level that will be reached when customs duties are fully abolished in the Community.

Mid-morning milk break for nursery school tots in the European School in Brussels. The European School was set up in 1958 for the children of officials from six nations working for Euratom and the Common Market and for the children of diplomats accredited to the Community. A similar school has been in existence in Luxembourg since 1953. The Brussels school now has some 500 pupils: 125 French, 123 Italian, 86 Dutch, 56 German, 40 Belgium, 30 Luxembourgers and also 40 of other nationalities—about half of these are English-speaking students. Graduates of the European School are eligible to enter into any University in Europe.



laboratory: on June 16, during a  
ishments, Emanuel Sassen (left)  
Euratom Commission, discussed  
c Energy Community's research  
orman Hilberry, Director of the  
onal Laboratory near Chicago.



“The Committee of 21”  
(the 18 OEEC nations,  
Canada, the United States  
and the Commission of  
the Common Market)  
brings together U.S. Under  
Secretary of State C.  
Douglas Dillon (left) and  
Common Market President  
Walter Hallstein in Brus-  
sels for discussions of  
mutual economic interest.

# THE DEVELOPMENT FUND—LATEST FIGURES

By March 31, 1960, the Development Fund referred to by M. Lemaigen had earmarked a total of \$67,283,250 for economic and social projects in the associated overseas countries and territories. The Fund's total resources for the first five years amount to \$581.25 million.

## *A Report on the Overseas Countries*

Meanwhile, according to a report recently issued by the Common Market Commission at the request of the European Parliament,<sup>1</sup> Africa's population continues to grow apace. In most of the overseas countries and territories associated with the European Community, the annual rate of increase is close to 25 per cent, as compared with a rate for the European Community which in the 1950-1955 period ranged between 4.5 per cent (Belgium) and 14.6 per cent (Netherlands).

This rate of 25 per cent, the report added, is likely to be exceeded before very long, both because of increasing birth rate and because the death rate, particularly infant mortality, is constantly decreasing. At the same time, there is steady migration toward certain towns and hence a growing danger of urban unemployment.

## *Employment Levels*

Wage earners in the associated countries and territories make up only 4.6 per cent of the total population, as compared with 30 per cent in the member countries of the European Community. Moreover, while in the Community countries 51.5 per cent of wage earners in 1957 were employed in so-called "secondary activities" (extractive industries, manufacture, building, etc.), the corresponding figure for the overseas countries, with their primarily

agricultural economies, was only 19.1 per cent. The percentages employed in "primary activities," such as farming, were 4.9 per cent for the European Community 32.3 per cent for the overseas countries.

A much larger proportion of wage earners was employed in "tertiary activities" (such as public service) in the overseas countries than in the European Community—25 per cent versus 3.9 per cent—the sole exceptions being New Caledonia, the Belgian Congo, and Ruanda-Urundi.

Finally, the proportion of unskilled workers is extremely high. They constitute about 50 per cent of the total labor force. The proportion is as high as 70 per cent in countries, such as the Ivory Coast and Madagascar, where seasonal agricultural work plays a preponderant role.

## *Great Needs and Great Efforts*

If the report shows the immensity of Africa's needs, however, it also shows what efforts are being made to meet them. In particular, some 30 per cent of public expenditure in the overseas countries is for social purposes—in recent years representing some \$125 million out of a total expenditure of some \$430 million.

The annual average of public expenditures on strictly social investments, broken down according to the Community country with which the overseas countries have special links, is as follows:

Belgium:	\$43.4 million
France:	\$75.4 million
Italy:	\$542,000
Netherlands:	\$3.3 million

The sums granted by the Common Market's Development Fund are of course in addition to those made available by individual Community countries which have pledged themselves not to regard it as a pretext for cutting back their own assistance programs.

<sup>1</sup> "Note sur la Situation Sociale des Pays D'Outre-mer Associés à la Communauté Economique Européenne," February 1960.

## RECENT COURT DECISIONS BACK HIGH AUTHORITY

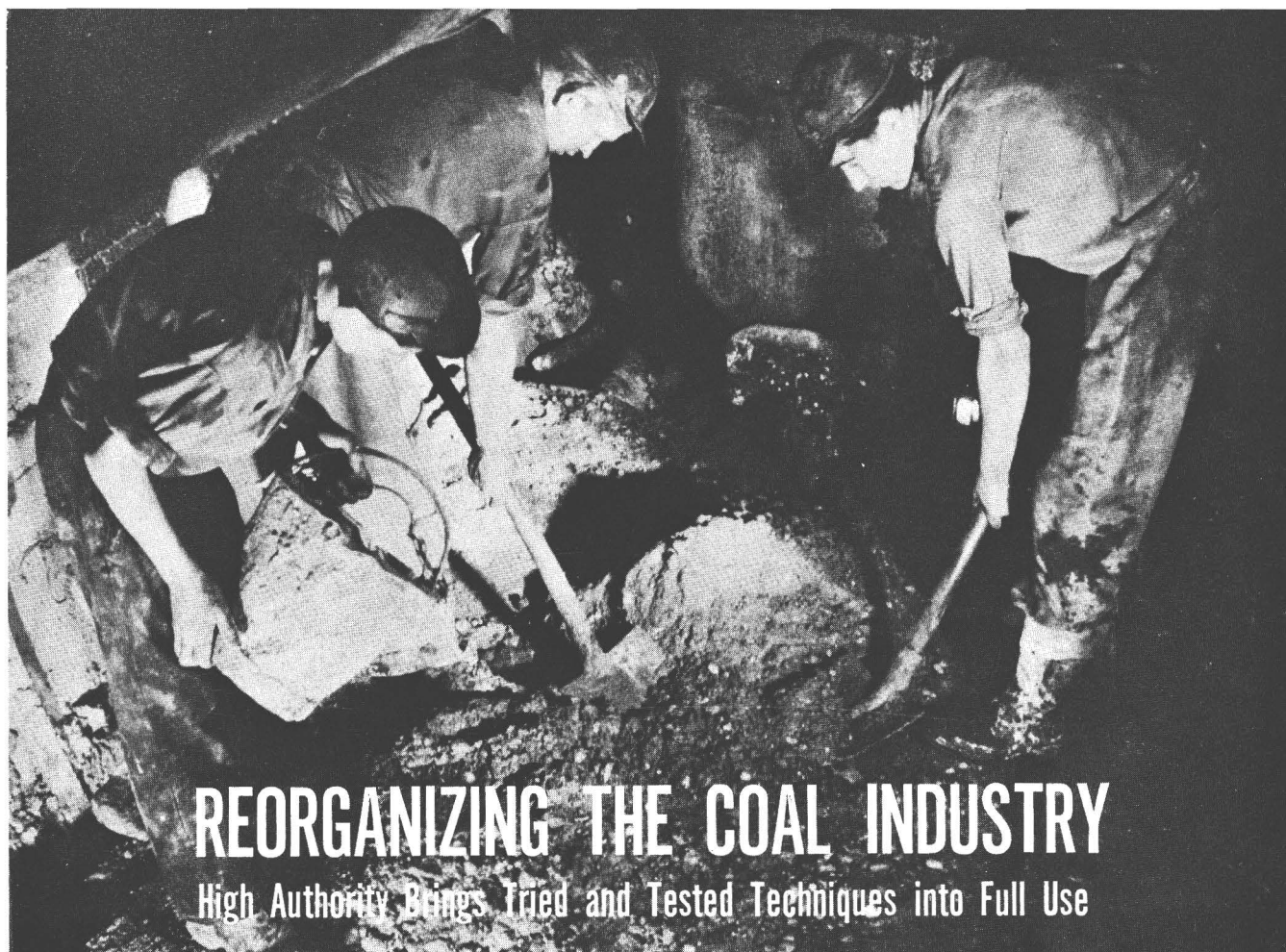
The Court of Justice in April rejected an appeal by an Italian firm, Acciaieria e Tubificio di Brescia, against a High Authority decision ordering a spot check to be carried out on its books. The Court thus ranged itself behind the High Authority's contention that, under the ECSC Treaty, firms must submit to checks by the High Authority's inspectors, who have merely to present their instruction papers. Should a firm refuse, the High Authority would be able to retaliate by imposing heavy fines.

In a second judgment announced on April 4, the Court declared void High Authority decisions stating that firms, which have benefited, albeit unwittingly, from equalization payments on imported scrap made by the Brussels Equalization Fund on the basis of fraudulent declarations, should repay the sums involved. The Court declared that the consequences of such fraud should be borne

by the scrap users of the Community as a whole.

In March the Court decided that the Federal German Governments' appeal against a High Authority decision ordering the abolition of certain special German rail tariffs for coal and iron ore had no suspensive effect. While reserving its decision pending the Court's final judgment, the German Government has now agreed to suspend as from April 15 the rates in question, which the High Authority termed discriminatory.

Since the Coal-Steel Community came into being in 1952, the Court of Justice has received 144 appeals and requests for stay of execution concerning High Authority decisions. Of these, 24 have been withdrawn. Judgments have been passed in 67 cases, and 53 cases are still in process.



## REORGANIZING THE COAL INDUSTRY

High Authority Begins Tried and Tested Techniques into Full Use

In December and January, 1959, as the reorganization of the Community's coal industry gathered momentum and more projects for closing down or concentrating uneconomic pits were put into force, a flood of demands for "readaptation" of miners reached the High Authority in Luxembourg. They were timed to be handled before the expiration, on February 9, 1960, of the transition period provisions on readaptation which had already been extended for two years beyond the end of the transition period in February, 1958. These provisions enable the High Authority to give substantial aid to miners who lose or have to change their jobs as a result of the introduction of the common market for coal and steel.

### *A Flood of Readaptation Demands*

By Mid-January the High Authority had received nearly 100 applications for readaptation aid: 52 from Germany, 25 from Belgium, 11 from Italy, and five from France—three times as many as it had previously received during the whole of the existence of the common market. The 52 applications from Germany involved 19 pits and five coking plants which were to be closed completely, another 45 pits and one coking plant to be partially closed and reorganized, one steelworks and one coal briquetting plant; altogether nearly 58,000 workers were employed by these firms. The applications submitted by the Belgian Government involved 25,000 miners and 25 pits—five in the Borinage, eight in the Centre coalfield, nine in the Charleroi field and eight in the Liege field.

By the time the transition-period provisions expired on February 9, the High Authority had examined all the

applications, had approved all but a small number, and had obtained the agreement of the Council of Ministers to go ahead. The readaption provisions—re-employment, resettlement, and payment of special allowances—which during the years of boom and fuel shortage had been sparsely used, at last justified the view of the French delegation to the ECSC Treaty negotiations, which termed them the major contribution of the treaty on labor policy.

### *Treaty Revision Widens High Authority's Powers, Gives Continuity to Labor Policy*

A small number of applications for readaption projects had to be rejected because the High Authority considered the difficulties of the pits or firms involved were not a result of the operation of the common market. For these firms too, however, readaption aid is now possible since the High Authority at the end of March obtained a substantial extension and widening of its readaption powers.

The readaption clauses (Section 23) of the now-expired Transition-Period Convention had provided the High Authority with a flexible and practical instrument to aid and resettle ECSC workers hit by unemployment. The clause on readaptation in the treaty itself—Article 56—permitted readaption only for shut-downs or reorganization due to technical change; it was a cumbersome instrument, and had never been applied.

On January 26, the Council of Ministers approved by five votes to one a High Authority proposal to add an entirely new section to Article 56. The new text was subsequently approved by the Court of Justice, and at its session in Strasbourg at the end of March the Eu-

ropean Parliament voted in its favor by 114 votes to 2. This was the first time since its formation that the parliament had acted as a legislature and also the first time that one of the three Community Treaties had been modified by bringing into play all the institutions concerned.

The new section will ensure continuity of the High Authority's readaption policy. Under it readaption aid can be granted to firms which have to close down or make basic changes in their operations as a result of "profound changes in marketing conditions"; i.e., any structural change in the industries. The treaty revision capped months of work by the High Authority and of negotiation with the member governments. Observers considered it a tribute to its persistence that, at a time when in some quarters the High Authority's powers had been under attack and treaty revision urged in order to diminish the High Authority's powers, the only treaty revision actually achieved is one increasing its powers. Another fact pointed out by Community observers was that France, which has at times attacked the supranational nature of the ECSC, vigorously supported the High Authority's thesis from the start.

### ***A Balance Sheet on Readaption***

The High Authority's flurry of activity in January and early February brought to 110,000—54,000 in 1959-60 alone—the number of workers affected by closures and structural reorganization of firms which have applied, through their governments, for readaption. They are divided among 195 production units and 127 firms. The High Authority's total allocation of funds for readaption has now risen sharply to \$42.5 million—which is matched, as laid down in the Treaty, by an equivalent amount from the respective governments.

The vast majority of the workers affected by these schemes are coal miners—54,000 in Germany (aid—\$16.9 million), 26,000 in Belgium (aid—\$11.1 million), 6,654 in France (aid—\$1.5 million), and 5,285 in Italy (aid—\$2.2 million), making a total of 92,000 Community miners aided with \$31.7 million. But for readaption, the reduction of the labor force in the Community's mines to the level required by a competitive energy economy could never have taken place without acute social dislocation and friction. By the beginning of 1960, the labor force in the Community's coal industry stood at 970,000, compared with 1,088,000 at the start of the coal-steel common market in 1953. Many of the 111,000 miners who represent the difference between these two figures left the pits voluntarily, however, and many of those included in the number involved in readaption given above have yet to leave the industry.

For steel workers, the bulk of the requests for readaption aid came from Italy, where the number of workers affected has reached nearly 13,700 (aid—\$9.7 million), as compared to 3,400 in France (aid—\$0.8 million). Despite the 50 per cent increase in output over the same period, the labor force in the steel industry fell from 546,000 at the start of the Common Market in 1953 to 473,000 at the beginning of 1960.

A notable feature of the new wave of readaption projects has been the submission to the High Authority of the first applications for aid in setting up new indus-

tries in badly hit coal-mining areas.

The need for active reindustrialization is undisputed in those areas which have depended entirely on coal mining for their livelihood. A typical example is the Borinage, where the Belgian Government, Belgian industry, and the High Authority are cooperating fruitfully to make sure that the Borinage does not become an area of ghost towns. Already a new aluminum works has been built in the area, and for other new factories which are soon to go up the aid of the High Authority is likely to be sought.

In February, after seeking and obtaining the approval of the Council of Ministers, the High Authority formally agreed to aid the setting up of new factories in France and Italy. It decided to loan up to \$6.5 million for establishing new activities—manufacture of chemicals, cement, lime, foodstuffs, liquid gas, beer, cotton textiles, and packing materials—in Sardinia, where the Sulcis coal mines have been further reducing their labor force. The High Authority's loans will cover up to 30 per cent of the capital needs, and the firms involved will ensure that ex-miners from the Sulcis collieries will constitute at least 50 per cent of their labor force. For South-Central France the High Authority promised a long-term loan of \$80,000, out of a total cost of \$360,000, to aid the setting up of a new works to make boilers and structural aluminum; the works will employ 150 miners from the Champagnac mine, now closed down.

The High Authority has also been called on to take the initiative in coordinating industrial redevelopment. In July last year, the Council of Ministers and the High Authority agreed that a Community-wide conference should be called to examine the problems posed by industrial redevelopment. The High Authority has completed most of the spadework and has gathered comprehensive data on programs already put into practice in the Community countries and Great Britain. The conference will be convened in September this year at the latest.

### ***A Typical Case of Readaption***

The experience of readaption in the first six years of the coal-steel common market was meager if judged by the number of workers involved. But it provided the valuable experience which enables the present flows of readaption projects to proceed smoothly without the snags and imperfections which characterized some of the earlier projects (see Bulletin, No. 17, July 1956).

A recent example of such a project was that of the Hautrage mine in the Borinage which closed down in July, 1959, putting 900 miners out of work. The High Authority allotted \$350,000 for readaption. A similar amount was provided by the Belgian Government. Five hundred of the miners will be re-employed in the new aluminum works being built on the site of the mine. All of them will have their wages paid for a three-month period, enabling them to undergo retraining for their new jobs without any loss of income.

The era in which it was generally believed that governments should leave the economy alone, regardless of the level of business activity and of unemployment, ended some time ago. But in Europe, it is only through readaption that the workers' wholehearted cooperation can be won for technical and structural changes in the economy.

# WHAT READAPTATION MEANS TO THE WORKER

Readaptation means all that is necessary to enable the worker to pass smoothly and without hardship from one job to another—re-employment, resettlement, and re-training. (For a full discussion of its origins and early experience see the July-August 1956 issue of this Bulletin.) The High Authority's aim has been to make readaptation aid as flexible as possible, adapting it to the particular needs and wishes of the different member states and the different situations which have arisen.

Broadly speaking, readaptation provides workers with "waiting allowances," payable for up to one year, to tide workers over until they obtain new jobs; this allowance varies, starting at 100 per cent of previous earnings for Belgium and Italy, and 90 per cent of the previous wage for France and Germany. The following table shows the actual proportions.

	Percentages of previous earnings		
	Initial period	Second stage	Third stage
Belgium & Italy	100	80	60
France	90	70-80	40-60
Germany	90	80	70

The three stages during which the allowance is paid are of four months each, except in France, where the first stage lasts two months, the second six months, and the last four months. The ranges shown for France in the second and third stages depend on the wage level: the higher figure is for workers who earned up to 350 new francs (\$70) a month and the lower figure for workers who earned between 350 and 750 new francs (\$70-150) a month.

## Worker Representation In Industry

An analysis of workers' representation at company level in the law of the six Community countries is provided in a new High Authority publication: "La représentation des travailleurs sur le plan de l'entreprise dans le droit des pays membres de la CECA."

The French edition is available from the European Community Information Service (236 Southern Bldg., Washington 5, D. C.). It is the third of a series of publications by the High Authority on labor law. The first two of the series covered the sources of labor law and stability of employment. The series is in charge of a group of eminent European lawyers under the chairmanship of Professor Paul Durand.

## GROWTH OF TRADE

Intra-Community trade, which represents roughly one-third of the total exports of the Common Market countries, rose at an increasing rate throughout 1959: in the four quarters of the year, the rates of increase compared with the corresponding quarters of the previous years were 2 per cent, 17 per cent, 24 per cent, and 30 per cent respectively.

While these figures are slightly inflated by the inclusion of trade between the Saar and France, from the month of July onwards, they are nevertheless indicative of the influence of the Common Market, particularly on the attitude of industrialists and merchants. It should, however, be added that they also reflect in part the general improvement in the state of trade within the Community.

The expansion in demand started in semi-manufactures and consumer goods and was subsequently extended to machinery and equipment goods. The dry summer of 1959 also brought an increase of trade in agricultural products.

## TRANSPORT EXPERTS MEET

The Common Market Commission has been carrying out the preliminary work for co-ordination of the road, rail, and inland waterway development program of the Community's six member countries. National experts from the six countries have met separately in Brussels with representatives of the transport department of the Commission to discuss not only coordination but the possibility of undertaking special Community projects.

### *Toward a Community-wide Road Network*

For road transport, the main aim will be to provide the Community with an efficient network of highways. The first discussions centered on various international links to join up the national networks. It will be a question both of structural co-ordination and synchronizing the timing of different projects.

### *Electrification and Line Capacity Improvements*

For the railways, major subjects of discussion are the electrification of certain international lines and the raising of capacity on other routes. The linking of electrified networks will require the co-ordination of projects planned by the six member countries, and the Commission will offer its services toward final solutions wherever possible.

Waterway experts met with officials of the Commission in Brussels on April 6 and 7, thus completing the first round of talks on transport coordination.

### *European Investment Bank May Intervene*

The groups of experts examined methods of financing possible projects, particularly where this could place a heavy strain on individual governments. They were especially interested in possibilities of finance through the European Investment Bank, which could enable certain programs to be carried out more rapidly.

# Common Market Schedule for Freedom of Establishment

The Common Market Commission has submitted to the Council of Ministers its proposed program for gradually removing current restrictions on the right to set up in business or the professions anywhere within the Community. Under the Common Market Treaty, any enterprise situated in a member state of the Community, whether it is an individual business or a company, and whatever its branch of activity, will, by the end of the transition period, be able to establish itself anywhere else in the Community without any restrictions or obligations other than those which apply equally to enterprises of the country which it wishes to enter. This goes far beyond the provisions of existing bilateral conventions on the subject, which do not eliminate all differential treatment. Announcing the Commission's proposals at a Press Conference in Brussels, Vice President Giuseppe Caron described this as "an almost revolutionary innovation."

## A System of Priorities

The Commission's proposals, which embody a system of priorities for freeing of different activities, were worked out in close collaboration with experts from the member states. Owing to the complexity of the problems involved, they were only submitted some weeks after the date laid down in the Rome Treaty (December 31, 1959). The extra time was needed to find an exact interpretation of certain points of law which were not clear from the text of the treaty and to iron out differences of viewpoint between the member states.

Problems of interpretation included the following:

- the exact origin of the restrictions to be abolished;
- the range of personal rights necessary;
- the link between abolition of restrictions and co-ordination of regulations;
- the inclusion of overseas countries and territories; and
- the question of transport.

Divergences of view, and subsequent compromises, affected the following fields:

- the question of branches and subsidiaries;
- questions of entry and residence;
- safeguards for handicrafts;
- problems in the agricultural sphere, in foodstuffs, and in retail trading;
- the link with the common agricultural and transport policies of the European Community;
- the link with energy policy.

The program proposed by the Commission gives the latest dates at which it believes restrictions in each branch should be abolished. There was nothing to prevent action being taken in advance of the schedule.

### THE SCHEDULE IN BRIEF

- By Dec. 31, 1963: Most of industry and commerce
- By Dec. 31, 1965: Foodstuffs and retailing; most of agriculture
- By Dec. 31, 1969: All other activities.

## Newsbriefs

Common Market  
Euratom  
Coal & Steel Community

### Business Cycle Committee Holds First Meeting

The Common Market's new "Business Cycle Committee" held its first meeting in Brussels on April 7, 1960, under the presidency of Herr Alfred Mueller-Armack, Secretary of State to the Federal German Ministry of Economic Affairs.

The Business Cycle Committee, set up on March 9, is composed of three representatives of the Commission and of three representatives of each member state, together with the President of the Monetary Committee. Its task is to aid the consultations on cyclical policy which under the Common Market Treaty aim at co-ordinating the measures adopted by the Community's member states.

### Community Judge Resigns

Monsieur Jacques Rueff, a Judge of the Court of Justice, resigned early in January, 1960, following his appointment to a French Government post. Monsieur Rueff, who will

be 64 in August, has been a Judge of the Court of Justice since 1952 after a distinguished career in the French treasury.

### Italian Reactor Project to be Stepped up

The Italian company SENN has informed the Euratom Commission that its power reactor project on the banks of the Garigliano River may be stepped up from 150 megawatts to 230 megawatts in a few years' time.

The SENN project, undertaken under the Euratom-US joint program, would thus achieve an appreciable reduction in the cost of the power produced as well as introduce improvements in water reactor technology.

### Conference on Atomic Ship Propulsion

Euratom has concluded a conference on nuclear ship propulsion at which experts from each of the six member countries discussed the legal problems of nuclear merchant shipping.

The main aim of the conference was to enable Euratom's member states to co-ordinate the position they would adopt at the month-long London Conference due to begin in mid-May, which considered revision of the 1948 Convention on the safeguarding of human life at sea. This is of particular importance in view of the need for uniform provisions in respect to nuclear shipping, underlined by

the likely arrival in European ports within less than two years of the US cargo-passenger ship *Savannah*, the world's first nuclear-propelled merchant ship.

## Community Production Soars

Industrial production in the European Community in 1959 stood some 58 per cent higher than in 1953, according to figures released by the European Community Statistical Office. This compared with a 20 per cent increase for Great Britain and an 11 per cent increase for the United States over the same period.

The breakdown by countries was as follows: Belgium 19 per cent; France 58 per cent; Germany (F.R.) 66 per cent; Italy 60 per cent; Luxembourg 26 per cent; Netherlands 44 per cent.

## Community Department Stores Look Ahead

The President of the Association of Community Department Stores is reported as announcing, during a "Common Market Week" organized by a Brussels store, that stores throughout the Community are planning a series of such occasions, during which goods will be sold as near as possible to the prices that will obtain by the end of the transition period, when there are no more customs duties within the Community. The slogan will be: "The Common Market Means Lower Prices."

## Executive Holds 100th "Cabinet" Meeting

The Common Market Commission held its 100th business meeting on April 5, 1960. The Commission's nine members meet on the average of once a week, usually for a full day, to discuss the various problems for which they are individually and collectively responsible. Members of the Commission, although appointed by common accord of the national governments, once appointed are completely independent and forbidden to accept or solicit instructions from governments or other bodies: they are responsible solely to the European Parliament, which may oust them in a body on a vote of censure passed by a two-thirds majority.

## Furler Succeeds Schuman as President

Herr Hans Furler, German Christian Democrat, was elected president of the European Parliament on March 28, 1960, in succession to its first president, Robert Schuman. Monsieur Schuman, who resigned at the end of his second term of office, was first elected president two years ago.

Herr Furler, who was born at Lahr (Baden) in 1904, was President of the Common Assembly of the ECSC between 1956 and 1958. A lawyer and university professor, he continued to practice and to teach until he was returned to the German Bundestag as member for Offenber, Baden-Baden.

He is now chairman of the Foreign Affairs Committee of the Bundestag and President of the German Council of the European Movement.

The following were elected vice presidents of the European Parliament:

Messrs. Jean Fohrmann, Luxembourg, Socialist  
Charles Janssens, Belgian, Liberal  
C. P. Hazenbosch, Dutch, Christian Democrat  
Eduardo Battaglia, Italian, Liberal

Emile Vanrullen, French, Socialist  
Leopoldo Rubinacci, Italian, Christian Democrat  
Hellmut Kalbitzer, German, Socialist  
Jacques Vendroux, French, Liberal

## Community's Rising Reserves

The official exchange reserves of the European Community had risen to \$11.8 billion by December 31, 1959, compared with \$10.6 billion at the end of 1958 and \$8.1 billion at the end of 1957. This was one of the main features underlined in the second report of the Monetary Committee, published in February 1960. The percentage of coverage of imports by official exchange reserves at the end of 1959 was as follows for the six Community countries:

Belgium/Luxembourg: 40 per cent  
France: 35 per cent  
Germany (F.R.): 56 per cent  
Italy: 92 per cent  
Netherlands: 35 per cent

## Exports Increase

During 1959, the report declared, the Community's exports rose more rapidly than the expansion of world trade as a whole. The breakdown by countries was as follows:

Exports from Community countries (in millions of dollars f.o.b.)

	To rest of world			To other Community countries		
	1958	1959	% increase	1958	1959	% increase
Belgium/ Luxembourg	3,048	3,288	8	1,380	1,500 <sup>2</sup>	9
France <sup>1</sup>	3,200	3,843	20	1,140	1,510 <sup>2</sup>	33
Germany (F.R.)	8,808	9,802	11	2,412	2,700 <sup>2</sup>	12
Italy	2,532	2,870 <sup>2</sup>	13	612	780 <sup>2</sup>	27
Netherlands	3,216	3,698	12	1,332	1,570 <sup>2</sup>	18
<b>COMMUNITY TOTAL</b>	<b>20,804</b>	<b>23,411</b>		<b>6,876</b>	<b>8,060<sup>2</sup></b>	

<sup>1</sup> Not including exports to the franc zone    <sup>2</sup> Provisional figures

## Looking Ahead

Monetary policy has adapted itself rapidly to the changing situation of the market, the report added. A tighter credit policy and higher interest rates had become necessary to prevent the danger of excessive demand in 1960, but further measures might still be needed. In this connection, the report pointed out, budgetary policy in general and the method of financing treasury deficits were of particular importance. The Monetary Committee recommended that member governments should respect particularly the general principle that, save in cases of grave depression, budget deficits should be financed by long-term borrowing. The latter might even be larger than the needs of the treasury concerned in order to exert a shrinking influence on total liquidity, the committee concluded.

The Monetary Committee, which advises the Common Market Commission and Council of Ministers on monetary problems, consists of sixteen members, including representatives of the Commission and of the national governments and their central banks. Its President is Jonkheer E. van Lennep.

## PUBLICATIONS AVAILABLE

SUMMARY OF THE EIGHTH GENERAL REPORT OF THE ECSC HIGH AUTHORITY, 16 pages . . .	free	THE TRADE POLICY OF THE EUROPEAN COMMUNITY, 5 pages . . . . .	free
THE COMMON MARKET AT WORK, 52 pages . . .	free	<i>Speech delivered by Pres. Walter Hallstein before the Joint Committee of the Chambers of Commerce of the Common Market in Great Britain, February 29, 1960.</i>	
<i>Objectives and accomplishments of the Common Market after two years of existence.</i>		THE COMMON AGRICULTURAL POLICY, 10 pages . . . . .	free
A GUIDE TO THE STUDY OF THE EUROPEAN COMMUNITY, 14 pages . . . . .	free	<i>Summary of the proposals of the EEC Commission presented to the Council of Ministers, December, 1959.</i>	
<i>A bibliography on the ECSC, EEC, and Euratom.</i>		BIBLIOGRAPHIES OF THE EUROPEAN PARLIAMENT:	
LA COLLABORATION ENTRE L'ENSEIGNEMENT ET LES INDUSTRIES DE LA CECA, 134 pages . . .	\$ .50	<i>Le Marché Commun, Vol. III (Year 1958), 240 pages . . . . .</i>	\$1.50
<i>Report of a group of governmental experts of the six member countries.</i>		<i>Euratom, Vol. III (Year 1958), 80 pages . . .</i>	\$ .40
COMMERCE EXTÉRIEUR DE LA COMMUNAUTÉ, 358 pages (Dutch-French-German-Italian edition) . . . . .	\$2.00	<i>Energy, Iron and Steel, Part I: The Six Countries of the European Community</i>	free
<i>Imports and exports of the Coal and Steel Community listed by country of origin and destination and by area of origin and destination, for 1958.</i>		Set of ten 5" x 8" charts.	
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<i>Addresses delivered by Pres. Piero Malvestiti on the occasion of the inauguration of the High Authority of the ECSC.</i>		Set of ten 5" x 8" charts.	
		<i>European Development Fund for the Overseas Countries and Territories . . . . .</i>	free
		An article on the objectives and operation of the Development Fund.	

## EUROPEAN COMMUNITY

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