

# Bulletin from the EUROPEAN THEMUMMOE

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

INFORMATION

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# COMMUNITY'S ECONOMY STILL BOOMING

THE BOOM IN THE ECONOMY of the Six Community countries has gathered spectacular momentum this year. The Common Market's Third Quarterly Report on the Economic Situation in the Community shows that industrial production for the whole of the year is expected to be 11 per cent higher than in 1959, compared with a rise of 7.5 per cent last year and one of 3 per cent in 1958.

Internal demand is developing most rapidly, and fixed investment has increased heavily in most of the member countries. Private consumption is going up at a more rapid rate than in the early part of the year, reflecting a rise in wages and a greater amount of disposable income. On the other hand, exports to third countries have been slowing down, particularly because of falling sales to the United States.

The third quarter has shown a definite slowing down in the growth rate of industrial production, but it should be noted that the second quarter brought an increase of 13 per cent over the corresponding period in 1959. Production growth which had risen exceptionally up to the beginning of 1960 eased off this year in certain countries such as the Federal Republic of Germany and the Netherlands. Certain sectors of the economy such as mechanical engineering and metal trades also showed a slowing down in production growth because of a scarcity of labor and also because of more productive use of existing facilities. In some industries, however, the moderating growth rate can be attributed to changing demand.

# Imports Have Been Climbing

Growing demands on the internal market have been met partly by an increase in imports, principally finished products. The commercial balance in the Community, although dropping in the first quarter, has not gone into the deficit column. Nevertheless, net receipts from an in-

flux of capital and currency from official monetary institutions have contributed to an increase in liquidity of the Community's internal market. Such an increase, threatening danger to internal financial stability, has induced fiscal authorities in certain countries to take new measures to eliminate excessive liquid funds.

Prices in the first half year generally levelled off throughout the Community. In the summer, a tendency to raise prices of consumer goods in several member countries developed, but this was mainly a seasonal change.

# Continued, but Slower, Expansion Forecast

In the section of the report devoted to prospects for the future, the Commission forecast that the expansion of world-wide demand would continue throughout the remaining months of 1960 in all countries of the Community. A certain tendency to slow up, however, can be expected in Belgium following the repercussions of events in the Congo. A further dropping off of exports from the

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Community does not seem probable as long as private and public investments remain at their present levels.

Private consumption will go up but not quite so rapidly. If production throughout the Community, except for the German Federal Republic, adapts itself to a slightly increasing demand, expansion will be somewhat less dramatic than in the preceding years. In Germany, however, the present rise in prices threatens to continue because of the permanent imbalance in the foreign exchange.

Present indications are that the economic expansion of the Community can be expected to continue throughout 1961, at least during the first half of the year though the over-all growth rate is expected to be slower than in 1960. Fixed investment can be expected to continue to increase although at a lower rate than during 1960. Personal consumption will also go up, mainly because of rising wages. On the other hand, export opportunities are a little uncertain. A softness in the world economic pic-

ture can affect the economic expansion and particularly the investment development of the Community countries.

# Two-Pronged Financial Policy

Taking into account today's situation and the prospects for the future, the report concludes, the policy of the member states should be twofold: 1) to avoid any action that would tend to upset the harmonization of the economies, and 2) to create conditions that would stimulate balanced expansion throughout the Community. These goals can be achieved simultaneously by following monetary and fiscal policies that would eliminate excess liquid funds and increase the flow of foreign exchange, principally through an increase in imports.

Besides the obvious benefits to the Community as a whole, such a common policy could have a particularly beneficial effect on the economy of Belgium where basic structural changes are required to offset losses incurred in the Congo.

# **COMMUNITY PRESIDENTS REAFFIRM EUROPEAN UNITY GOALS Speeches Before European Parliament Stress Community's Institutions**

Speaking before the 142-member European Parliamentary Assembly in Strasbourg October 12, the Presidents of the three Community executives gave their views on the possible effects of the recent discussions among the Six on the role of the Community institutions, as provided for in the treaties of Rome.

# Statement by Professor Walter Hallstein, President of the Common Market Commission

"The European Parliament requests the Commission of the European Economic Community to state whether to its knowledge the exchanges of views on European policy which have occurred between the governments of the Six since the last session have affected or are likely to affect the functioning or the role of the various European institutions provided for in the Treaties of Rome.

"The Commission so far has not made a public statement on this question. It has been kept informed by the governments of the member states, and for this it would like to express its gratitude. However, the ideas which were presented were not precise enough to be the subject of a definite statement. Moreover, the Commission was convinced that the parties engaged in these discussions would agree that, for increased cooperation between the Six governments, forms must be found which would be fully consonant with the requirements of our Community. The Commission is under the impression that its conviction has been justified. It has noted with satisfaction that Parliamentary circles and public opinion in the Community countries have given steady support to this process of clarification.

"Today we may be able to speak of a certain trend of

thought, but not of any detailed plan, for not all governments of the member states have yet officially defined their attitude. Under these circumstances I think that I can treat the question of the possible effects which the plans now under discussion may have on our institutions by inquiring into the considerations which may underlie such statement, rather than by attempting discussion of detailed proposals.

"The Parliamentary question put by this house refers to a process which has become known in public discussion as the *relance politique Européenne*. This term expresses the feeling that this is a grand design and the expectation that a movement has been started which will bring us nearer to the goal of political unification for our continent. Any effort that can bring us closer to this goal deserves not only the attention but also the resolute cooperation of all who serve the European cause from a sense of conviction and from a sense of responsibility.

"Turning now to the relationship between this process and the institutional setup of our Community, I would say that the consideration which lies at the basis of the Commission's appraisal of the situation is that this institutional arrangement is well balanced and has proved itself in practice. Therefore, everything should be done to insure and facilitate the further work of the existing institutions so that they may make their full contribution



President Hallstein called for encouragement in "the sphere of political unification." to the economic well-being of our Community, for shaping and strengthening Community consciousness and for the steady advance of the nations and their citizens toward a Community which is also political.

### Some Semantic Considerations

"Appreciation of this institutional framework frequently suffers from a lack of terminological precision. Perhaps the use of terms borrowed from national governments—for instance, the word 'executive'—has not always been helpful. The scintillating term of 'supranationality,' too, has tended more to confuse than to clarify ideas. Experience teaches us that the use of such ill-defined terms can easily lead to disputes about mere descriptions, frequently about pure semantics, even where there is agreement on the substance itself. Therefore, it may not be superfluous to outline briefly the actual operating procedures.

### Unanimous vs. Majority Vote

"The major economic decisions in the Community are made by the Council of Ministers whose members represent the will of the member governments in Community matters. On certain subjects, the Council decides by unanimous vote, and on other issues—whose number increases as time goes on—by a majority vote. I need not say that to transform our Community into an organization tied to the principle of unanimity would be tantamount to a decisive change, a weakening of our organization. It would reintroduce the veto which the treaty has banished.

### The Council and Common Policy

"The Council, then, is the machinery for balancing the interests of the member states and those of the Community. It is here, in particular, that common policies are settled and individual policies aligned within the framework of the treaty. This is sensible, for, in the last resort, policy is indivisible. Not only is it impossible to take this or that part fully out of its context, but care must be taken to insure that all its parts are fully dovetailed.

"In a statement before Parliament in June, I indicated that there were a number of practical problems concerning the Council's method of work and its efficacy. The Council and the Commission together are considering these points. Ways and means for more intensive cooperation between the Commission and the permanent representatives of the member states are also being considered.

## The Commission and the Parliament

"In order to avoid common-denominator compromises in the Council which fall short of Community objectives spelled out in the treaty, the treaty contains not only substantive obligations binding on the members of the Community but also provisions concerning the institutions. Apart from the use of the majority principle to which I have referred, the most important of these provisions is the establishment of a Commission subject to control by the European Parliament.

"As I have said, the major economic decisions in the Community are taken by the Council of Ministers. The treaty confers the right of decision on the Commission only in cases where principles of choice have already been settled by the member states in the treaty itself or by a Council decision. This leaves the application of these

# COMMUNITY CONGRATULATES THE PRESIDENT-ELECT

THE PRESIDENTS OF THE COMMISSIONS of the European Economic Community and the European Atomic Energy Community and the President of the High Authority of the European Coal and Steel Community sent the following congratulatory cablegrams to John F. Kennedy upon his election to the Presidency on November 8.

From President Hirsch of the Euratom Commission:

"I take great pleasure in extending to you on behalf of my colleagues of the Commission of the European Atomic Energy Community and in my own name our sincere congratulations on the announcement of your election to highest office. Please accept our warmest wishes in the vital role you are called to fulfill and for continued close and friendly cooperation between the United States and Euratom in the pursuit of their common policy."

From President Hallstein of the Common Market Commission:

"On my own behalf and on that of the Commission of the European Economic Community, may I convey our hearty congratulations on your election as the future President of the United States of America. With these congratulations, we should like also to send our sincere wish that success and good fortune may be yours in the fullest measure in the high office to which you are called and which has such outstanding importance for the whole of the free world.

"On this occasion we should like to express our firm confidence that the European Economic Community will work in ever warmer friendship and ever closer collaboration in the years ahead with the United States under your leadership. May this collaboration form a part of the partnership which binds all peoples of the free world and which will, we are sure, enable them successfully to accomplish the great tasks which face us all."

From President Malvestiti of the ECSC High Authority:

"The members of the High Authority of the European Coal and Steel Community and myself most delightedly learned of your election. Please accept our warmest congratulations on your appointment to your exalted post. The free world once again sees in the American elections the confirmation of the inestimable political value of democracy and greets you as a vital and dynamic force who will continue the great American tradition with vigor and awareness. Our very best wishes, Mr. President, for every success and good fortune."

principles to an objective body which must enjoy a certain margin of discretion.

### The Role of Initiator

"It is, however, not this right of decision which is characteristic of the Commission's role in the institutional system of the treaty. Its role is in the first place to

## The Treaty's Guardian

"The Commission is also the 'guardian' of the treaty. It must watch over its implementation. It must act whenever it discovers any infringement. If necessary, it must appeal to the Court of Justice. It was the governments of the member states who entrusted the Commission with these functions when they concluded the Community treaty, and the six Parliaments when they ratified it.

"To enable it to carry out its tasks, the Commission has been vested with an important quality: it is independent of the member states. Instructions may neither be given by nor received from governments, and by this safeguard, the Commission is enabled to be objective. In the sphere of economic policy, at least, there exist alongside the arbitrary and discretionary elements which are characteristic of all policy certain relatively safe, objective criteria of what is good and what is not. This safeguard is intended to prevent, and does in fact prevent, the Commission from taking sides.

### Independence and Compromise

"The Commission's attitude is not alien to or dissociated from that of the governments. Since the fundamental decisions are taken by the organ in which the governments have a voice, it is natural that the Commission should seek to keep in touch with the policy of the governments at all stages of its work from the lowest administrative level up to cooperation with the Council of Ministers as stipulated in the treaty. This may be regarded as the Commission's third function: that of an honest broker in finding compromises between the governments—or, if you will, in intergovernmental cooperation. There is, however, one reservation: as the guardian of the interest of the Community, the Commission must never countenance any arrangement which is not compatible with the treaty.

"If we further consider that the members of the Community enjoy a balanced share of representation and voting rights in connection with Community affairs, we will find that there is a twofold guarantee: safeguards in economic affairs and the maintenance of the equilibrium between the partners which was accepted in the treaty as fair and equitable. In other words, the danger of the Community's falling under a particular economic or political domination has been eliminated.

## **Parliamentary Control**

"If we survey this arrangement, we see that the Commission, if it were not independent, would lack a characteristic which is essential to its very being. Such independence is far from tantamount to irresponsibility. The Commission is sworn to the letter and the spirit of the treaty as well as to the interests of the Community and its constituent countries. The European Parliament is the strongest exponent of this responsibility. This Parliament is not only a consultative organ—important though that part of its work is—where the will of the Community is constantly being crystallized. It is also a controlling organ. Our Community is a democratic Community, and so

there cannot be within it any executive organ without control. The Commission is controlled by the Parliament. It may be said that the Parliament's power to dismiss the Commission has so far been evident as a power in being rather than through exercise in practice. However, daily experience is teaching us that this control is not rendered any less effective thereby, especially in the form of the continuous need to give account of our work to the Parliamentary committees.

"In this way, two things are insured: since control lies with the European Assembly, any biased or one-sided action of the Commission is prevented. Also, the interests of the member states are guaranteed, at least during the initial years, by the fact that the members of the European Parliament are at the same time members of their own national legislative bodies. Secondly, daily contact with the Parliament and the committees insures that the Commission's work remains closely linked to political reality.

## A Self-Contained Institutional System

"As a whole, then, this institutional system is self-contained, effective, and free from any inherent contradiction. But more, since it is not an end in itself, its worth can be gauged only by its suitability to the purposes for which it was established. These purposes are, in the short view, economic union—the merging of the economies of the six states. In his historic declaration of ten years ago Robert Schuman called it 'practical solidarity' and, in the long view, political union.

## The Test of Experience

"Today we need no longer rely on our imaginations in applying this yardstick. We have behind us almost three years of experience in which the system has repeatedly been put to the test in all fields and at all levels of the Community's policy. This enables us to say that our organization has thoroughly proved itself. The build-up and the translation into practice of our Community have proceeded according to plan. Cooperation between those responsible for the Community's affairs and between them and authorities in the member states is satisfactory and contains no more imperfections than are inherent in all the works of man. Economic policy and economic activity in the member states are coming constantly closer together. (Statistics for the first half of 1960 show an increase of trade within the Community of almost 34 per cent over the figures for the first half of 1959.) The Community as a fact and as a necessity is taking root more and more firmly in the consciousness of our nations. Internally and externally it stands secure and respected. I think there is as much agreement on all this as there is on the fact that any looser link-up would not have brought about these results.

"Since the Community is not static but ceaselessly changing, the best guarantee of progress lies in its being well ordered. It is this, and not any spirit of conservatism, which makes us believe that the existing order of things should not be changed.

"We need not expressly say that we are glad of anything which means the advance of our Community into the specifically political sphere. We are convinced that we are making a contribution to this advance when we point out that no better institutional guarantee than the present can be found for the material and psychological strengthening of our Community under the treaty.

### **Summary**

"The Commission hopes and believes that it can assume general agreement; that our Community is successful and that its success must be maintained, continued, and increased; that the existing institutions have contributed to this and will continue to do so; that the spirit and the letter of this program must be maintained; that support of these principles will provide the best contribution to the unchanged and undiminished aim of political union, to which our work, too, is a contribution; and that applause and encouragement should be given to any initiative which will take us beyond present achievements into the sphere of political unification."

# Statement by Etienne Hirsch, President of the Euratom Commission

"The question put by the presidents of the three Parliamentary groups indicates with what vigilance the whole Parliament follows all developments capable of affecting our institutions. On behalf of the Commission of the European Atomic Energy Community, I can only express our satisfaction and our gratitude.

"In reply to the question, I can tell the Parliament, on the basis of the information currently available, that no government plans to propose or to accept anything which would call into question the treaties instituting the Communities.

"The Commission will continue, with the same faith and with the same confidence, to apply in its integrity the Treaty of Rome and to watch over its implementation

"The Commission expects that, in carrying out its task, it will have the benefit of the trust and support which the European Parliament has hitherto unstintingly granted.

"The task involved is one which we have neither the ight nor the wish to contest. But I should like to add hat this does not imply a static position on our part. Proof of this is given by the proposal for structural rationalization which we put forward in presenting our last annual report and which received the approval of the Parliament.

"It goes without saying that we shall give a favorable welcome and will aid, up to the limit of our means and our powers, any new development which, on the basis of the first pillars raised by the three Communities, benefiting from the European spirit of which they have given ample evidence, and assuring the implementation of the treaties in their letter and their spirit, will contribute to the unification of Europe."



President Hirsch pledged the Commission would watch over implementation of the Treaty of Rome.



President Malvestiti:
"We have no alternative but to remain firm."

# Statement by Piero Malvestiti, President of the ECSC High Authority

"The High Authority has had no official information on the subject of the consultations which have taken place between the President of the French Republic and the heads of government of the other countries of the Community. It appears, moreover, from what has been published on this subject that these consultations are in a preliminary stage and that for the moment there are no concrete plans on which it would be possible to express a precise opinion.

"The High Authority wishes, however, to emphasize two things:

—Judging by the statements which have been made, there is no question of touching what has already been created; on the contrary, it is a matter of supplementing the European structure by new achievements in fields not covered by the existing Treaties;

—All consultations seem to have been based, for all the participants, on recognition of the absolute need to continue and strengthen the work of building Europe.

"The High Authority, for its part, is happy that the consultations have opened on this basis; it regards the future with confidence. The High Authority will, therefore, continue with all its energy to carry out the tasks confided in it by the treaty and to contribute by all the means at its disposal to solving the problems which arise in the field of its powers.

"Certainly, experience has shown that supranational powers are essential for the creation of a real, authentic European Common Market.

"We shall, therefore, defend this principle because we are here concerned with technical necessities without which we shall once again be plunged either into the system of unanimity—that is to say, in fact, the right of veto—or into a majority system involving the governments as such, in other words, the superiority of the strongest. Instead of arriving at a united Europe, we should fall back into a divided Europe.

"While I shall wait until the next session in November to develop these ideas further, I felt it was necessary here and now to affirm a principle on the subject of which any weakness on the part of those responsible would be inadmissible. As I had the occasion to say in my first speech in this chamber as President of the High Authority, we have no alternative but to remain firm."



More steel for building and more ships for trading. Here a new Dutch freighter slides toward the sea.

# COMMUNITY'S STEEL BOOM Record Output in October

THE BOOM IN COMMUNITY STEEL PRODUCTION which has been in full swing since the beginning of this year took output to a new record level in October. In that month production reached 6,417,000 metric tons, compared with 5,992,000 in October, 1959, and the previous record level of 6,406,000 set in March, 1960.

In the first 10 months of the year, output was 17.3 per cent higher than in the corresponding period for 1959, reaching 60,784,000 tons against 51,811,000. This spectacular rise is almost double the rate of the approximately nine per cent increase in 1959 over 1958.

For the year as a whole, output is likely to reach the forecast figure of 73 million metric tons, an increase of 16 per cent over 1959. This will mean that, in the eight years of existence of the coal-steel common market, output has expanded by 74 per cent above the 1952 level of 41.9 million tons.

## COMMUNITY STEEL OUTPUT

| In inousanas Janu |          | January-October 1960 | Percentage<br>Change |
|-------------------|----------|----------------------|----------------------|
| Belgium           | 5,280    | 6,133                | + 16.2               |
| France            | 12,434   | 14,284               | + 14.9               |
| Germany           | . 24,239 | 28,570               | + 17.9               |
| Italy             | 5,473    | 6,788                | + 24.0               |
| Luxembourg.       | 3,020    | 3,410                | + 12.9               |
| Netherlands       | 1,365    | 1,599                | + 17.1               |
| Total             | 51,811   | 60,784               | + 17.3               |

# **Exceptionally Heavy Demand**

Demand during the year has been exceptionally strong in the Community countries, with orders for rolled products from Community users averaging 3.6 million tons—12.5 per cent above the figure for 1959 which itself was a year of heavy demand and record output.

In the third quarter of the year, incoming orders eased off, but then rose sharply in October although without reaching the exceptional levels of March-May. Export markets in particular showed the effect of increased international competition, and orders from non-member countries fell from a monthly average of over 800,000 tons in the first half of the year to below 700,000 in the subsequent four months.

The continued buoyancy of demand inside the Community and the continued rise in intra-Community trade, however, have kept the over-all volume of orders high.

### ORDERS FOR ROLLED STEEL

(in thousands of metric tons)

| Jan Oct. 1960<br>Jan Oct. 1959 | From<br>domestic<br>markets<br>28,937<br>25,445 | From other<br>Community<br>countries<br>6,809<br>5,928 | From non-<br>member<br>countries<br>7,770<br>9,931 | Total<br>Orders<br>43,522<br>41,304 |
|--------------------------------|---|--|--|-------------------------------------|
| Percentage Change              | +13.7   | +14.8  | _21.7  | +5.36                               |

The apparently unfavorable trend of export orders must be seen in the light of the U.S. steel strike of 1959, which inflated the Community's figures for export orders in that year. Orders on hand have continued to grow, and order books showed a total of 13.6 million tons outstanding at the end of August as against 12.1 million a year earlier.

While internal prices have shown a remarkable stability, apart from some adjustments in Italy, particularly for merchant steels, prices in export markets have weakened since August: merchant steels, for example, fell from 100-103 dollars per ton at the end of July to 98-99 dollars at the end of September.

Prospects for the future continue favorable in the light of the substantial orders still on steelmakers' books, and the situation in the export market is expected to improve. It may, however, be necessary for producers to bring this year's spectacular expansion rate more closely into line with the rather slower expansion of steel consumption.

# COAL SITUATION IMPROVES Pithead Stocks Shrinking

FOR SEVERAL MONTHS, Community coal stocks at pithead have been shrinking steadily. A decrease of 880,000 tons in October took them down to 29.5 million metric tons by the end of the month—the lowest level since April 1959 and three million tons lower than a year earlier.

The fall in pithead stocks has been particularly marked in Germany, where a 10 per cent reduction in October brought stocks down to their lowest level for two years. In France, however, a continued rise at the rate of about two to three per cent monthly raised pithead stocks to the record level of 13.3 million tons.

## PITHEAD STOCKS OF COAL AND BRIQUETTES IN

THE COMMUNITY (in thousands of metric tons)

|           | Belgium | France | Germany<br>(incl. Saar) | Italy | Nether-<br>lands | Commu-<br>nity Total |
|-----------|---------|--------|-------------------------|-------|------------------|----------------------|
| End-1958  | 6,928   | 7,380  | 9,463                   | 21    | 746              | 24,538               |
| End-1959  | 7,496   | 10,955 | 11,766                  | 111   | 864              | 31,193               |
| 1960      |         |        |                         |       |                  |                      |
| May       | 7,441   | 12,322 | 11,236                  | 161   | 788              | 31,948               |
| June      | 7,417   | 12,438 | 10,870                  | 167   | 774              | 31,667               |
| July      | 7,253   | 12,557 | 10,494                  | 163   | 753              | 31,220               |
| August    | 7,078   | 12,873 | 10,186                  | 149   | 737              | 31,024               |
| September | 6,979   | 12,955 | 9,568                   | 142   | 752              | 30,395               |
| October   | 6,784   | 13,276 | 8,600                   | 128   | 727              | 29,515               |

The general trend in coke stocks has also shown a slow fall, with 6,885,000 metric tons at coking plants by the end of October as against 7,060,000 tons a month earlier.

# Part-time Work Drastically Cut

The gradual restoration of equilibrium in the coal market has been reflected above all in a sharp cut in part-time working. Part-time working in October was equivalent to a production loss of only 182,000 tons, as compared with 274,000 tons in September and 867,000 tons in October 1959. Moreover, part-time working in October this year was almost entirely restricted to the Belgian coal fields and the Centre-Midi field in France. In the first ten months of 1960, part-time work represented a loss of 5,551,000 tons, as against 11,498,000 in the corresponding period of 1959.

The chief feature of the last two months has been fulltime operation not only in the Ruhr, where part-time employment had been negligible since late 1959, but also in the Saar and the Nord-Pas de Calais coal fields. Warnings have even been sounded in the Ruhr of an impending shortage of manpower, particularly younger miners, following the tendency of workers voluntarily to leave the pits.

All in all, at the start of the 1960-61 winter, the High Authority regards the favorable development of stocks and the cut in part-time work with cautious satisfaction. At the same time, the generally better global picture conceals a continued crisis in the French coal industry, and a slow return to normal conditions in Belgium. In the High Authority's view, the need to continue the drastic reorganization of the Belgian coal industry, already well under way, has not diminished. Despite a 12.4 per cent improvement (from 1.334 to 1.5 metric tons per man shift) since the beginning of 1960, Belgian productivity is still well below the average Community level of nearly two tons. The High Authority believes, however, that the exceptional and temporary measures taken to protect the Belgian market while reorganization was under way can now be somewhat eased.

LOAN AGREEMENT Headed by High Authority President Piero Malvestiti (seated center), a delegation of the European Coal & Steel Community traveled to New York to sign the third U.S. loan issue on October 18. The \$35 million borrowing will be used to help companies modernize their plants and to finance the retraining and resettlement of workers. Flanking President Malvestiti are Dr. Fritz Hellwig, member of the High Authority, and Hans Skribanowitz, director general of loans and investments for the ECSC. Standing rear: Edwin H. Herzog, partner, Lazard Freres & Co.; Edward Townsend, vice president, First Boston Corp.; and J. Emerson Thors, partner, Kuhn, Loeb & Co.





# 1. THE START OF IT ALL French President Charles de Gaulle welcomed German Chancellor Konrad Adenauer at Rambouillet for two days of talks July 29-30. The spokesman for the French Foreign Ministry said afterwards: "The building of the European structure at a political level could mean in particular the organization of regular meetings between the heads of state of the governments and the ministers concerned."

2. RAINY WEDNESDAY The official communiqué issued after the Bonn meeting of Dr. Adenauer and British Prime Minister Harold Macmillan August 10-11 said in part: "The two heads of government . . . both considered it necessary in the interest of European unity to find a solution to problems arising from the existence of two economic groups in Europe."



# WEST EUROPE SEEKS POLITICAL UNION

# Statesmen on the Move for Top-Level Negotiations

EUROPEAN LEADERS this year have engaged in a series of meetings that broke in the headlines but yielded little official information. Gradually, the French Government's initial proposals for bringing political cohesion to Europe were confronted, one by one, by objections from France's partners in the Community. One salient fact emerged—none of the other five Community countries was prepared to countenance tampering with the powers of the existing Community institutions.

The season of meetings opened with talks between French President Charles de Gaulle and German Chancellor Konrad Adenauer at the President's home in Rambouillet July 29-30 and went on in Bonn, Rome, Brussels, Paris, Venice, and Varese, Italy. These pages show some of the encounters as statesmen endeavored to find in private discussions some answers to Europe's political future. Next on the agenda is a little summit meeting of all the heads of government of the Six, postponed by the illness of Dr. Adenauer and now scheduled for mid-January in Paris.

**3. ENTER ITALIA** To Venice went Dutch Foreign Minister J. M. A. H. Luns (far right) for talks on August 16 with his Italian counterpart Antonio Segni, seen here reaching toward him across the conference table.





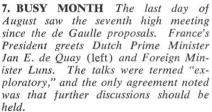
**4. NOW BRITANNIA** Next to Italy came Britain's Lord Privy Seal Edward Heath, shown on the left with Premier Amintore Fanfani in Rome. The joint communiqué issued after the meetings August 23 said that both governments "attached particular value to the western defensive alliance as a safeguard for peace."



**5. BENELUX ENSEMBLE** In Brussels on August 29 the foreign ministers of the little three—Pierre Wigny of Belgium, Eugène Schaus of Luxembourg, and J. M. A. H. Luns of the Netherlands—reaffirmed their conviction that Western Europe must organize around its common institutions and according to M. Wigny, without "losing sight of the particular position of Belgium and the other small countries of the Community."



6. MAN IN MOTION The following day, Pierre Wigny left Brussels for Rome to meet Italy's Foreign Minister Segni (left), and Premier Fanfani. Their official communiqué stressed "the desire to pursue the development of the European Community on the basis of the existing treaties and by seeking, in cooperation with other allied countries as well, practical solutions to the questions raised by the existence of the Common Market and the Seven."







8. WORKING VACATION German Chancellor Adenauer (far right) on holiday in Varese, Italy, met with Italy's Premier Fanfani and Foreign Minister Segni (foreground) September 2 for a conference that brought forth this communiqué: "The talks were held in an atmosphere of complete cordiality and unity of views on the main current problems concerning the two countries and the international situation."

**9. RAMBOUILLET ENCORE** In France the next day, Italy's Premier Fanfani engaged in discussing "the problems of European organization" with General de Gaulle.





10. CAUTIOUS STEP Belgian Prime Minister Gaston Eyskens shown here with President de Gaulle went to Paris September 13 with Foreign Minister Wigny who said afterwards: "We are all in agreement that political cooperation is becoming easier and easier because of the economic superstructure of the Common Market. (But) we must not take one step forward and two steps backward. . . More concrete proposals will emerge from this exchange of views. We hope they will be constructive."

11. LUXEMBOURG'S TURN Caution was again the watchword on September 17 when Luxembourg's Prime Minister Pierre Werner (left) and Foreign Minister Schaus traveled to Paris to talk things over with President de Gaulle (right). The official communiqué read in part: "The Luxembourg ministers . . . expressed their anxiety that the urge for new formulae of cooperation should not have the effect of threatening the treaties governing the European Communities. (Luxembourg) wishes the objectives of the existing treaties to remain intact. . . ."



# RESEARCH BUDGET CLIMBS New Centers Boost Euratom Expenditures

WITH THE ESTABLISHMENT OF EURATOM'S FIRST RESEARCH CENTERS at Ispra, Italy, and Mol, Belgium, this year and plans laid to open two additional centers at Karlsruhe, Germany, and Petten, the Netherlands, Euratom's appropriations for research in 1961 show a 50-per-cent rise over 1960. Even more striking is the fact that by mid-October of this year Euratom had spent 10 times more than its total expenditure for research in 1959.

At its meeting in Brussels October 17, the Council of Ministers approved appropriations by Euratom for research during 1961 amounting to \$75,050,000. 1960's appropriations have amounted to \$50,080,000, of which \$34,780,000 had actually been spent by that date. In addition, a decision of the Council regarding subsidies for power-reactor research may add, according to estimates of the Euratom Commission, another \$15 million to next year's budget.

# **Programs for Next Year**

It is not the centers alone, of course, that account for all of the expansion in the budget. Euratom has been moving forward rapidly with its research and development program through awarding contracts to private firms as well. Following is a list of the general programs in Euratom research for next year.

- 1. Purchase of equipment for the Ispra Center.
- 2. Reactor experiments, allied research on prototype reactors and fissile materials. These relate to the Dragon, Halden, Suspop, and Orgel projects as well as to the

study of fast reactor strings.

- 3. Research and development under the U.S. Euratom Agreement and studies connected with reactor development.
- 4. Purchase of fissile materials for the research program.
- 5. Studies of power and marine reactors. This will relate to power-reactor strings, participation in power-reactor projects, and nuclear marine propulsion.
- 6. Biological research with radioisotopes, gathering of scientific information and general documentation.

# Budget Figures from the Beginning

Amounts spent and/or appropriated for research since Euratom came into being in 1958 are shown in the following table. The fiscal year corresponds to the calendar year, as specified in Article 177 of the treaty.

1958 \$ 449,000 1959 3,288,264 1960 50,080,000 appropriated 34,780,000 spent as of October 17, 1960 1961 75,050,000 authorized 52,850,000 contracted as of October 17, 1960

According to present estimates, based on programs now in operation or proposed by the Commission, Euratom's research program will require approximately \$215 million during the first five years, that is by the end of 1962.

# EURATOM ADVISORY COMMITTEE APPROVES FIVE PROPOSALS

# Scientific and Technical Committee Encourages More Research

THE EURATOM SCIENTIFIC AND TECHNICAL COMMITTEE, under the presidency of Pierre Ailleret, assistant director of Electricité de France, has urged the Commission to move forward in five principal fields. The tenth session of the committee, held in Brussels October 4, gave approval to undertakings in five areas.

### 1. Radioisotope Information Center

Committee approval was given to a Euratom Commission decision to create a European information center on the use of radioisotopes. The center is to be established in collaboration with radioisotope producers and will provide potential consumers with information relating to use and availability of radioisotopes.

## 2. Atomic Propulsion for Ships

Several Community shipbuilders have asked Euratom to join in studies of the problems involved in using nuclear power for ships. The committee gave its approval to Euratom's intention of taking part in such studies.

## 3. Medium-Temperature, Gas-Cooled Reactor

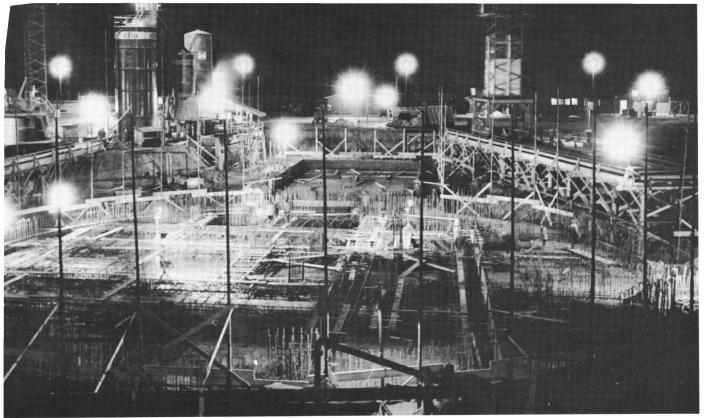
The committee indicated its accord with Euratom's decision to complete its reactor research project in association with the French CEA (Commissariat à l'Énergie Atomique). The research is focused on the development of a medium-temperature, graphite-moderated reactor, cooled with pressurized carbon-dioxide gas—a reactor having potential value for both production of electricity and ship propulsion.

### 4. Power-Station Trainees

The committee encouraged the Commission's proposal to conclude agreements with companies building or operating nuclear-power stations where Community trainees could gain on-the-job experience in construction and operation.

## 5. Waste Disposal

Euratom plans to pursue its study of methods of disposing of radioactive waste underground and in the sea were



Night-and-day building brought the Karlsruhe reactor into being.—Under an agreement with the German Federal Republic signed December 21, Karlsruhe will become, after Ispra, Italy, and Mol, Belgium, the site of Euratom's third research center.

also encouraged. Earlier, the Community had given its favorable opinion on a French proposal to dump 6,500 containers of radioactive waste from the Marcoule Atomic Center in a submarine trough between Corsica and Nice. CEA High Commissioner Francis Perrin, a member of the Scientific and Technical Committee, told his col-

leagues that inasmuch as the waste was only slightly radioactive and would be dropped at a depth of more than 6,000 feet, the experiment would involve no risk of contamination. However, on the objections of Riviera residents and the Principality of Monaco, the French Government subsequently abandoned the project.

# MOL RESEARCH REACTOR NEAR COMPLETION

# January Is Target Date for BR2 to Go Critical

WHEN THE HIGH-FLUX RESEARCH REACTOR BR2 goes into operation next January at the Mol Research Center in Belgium, it will represent the cooperative achievement of Belgian design, American construction, and Euratom research under the U. S.-Euratom Agreement for Cooperation. It is slated to be the highest neutron-flux reactor in Europe and the most flexible research reactor in the world.

The facility at Mol, located a few miles from the Dutch border, represents the first of Euratom's research centers being developed under the Community's research program which calls for an expenditure of \$215 million in the first five years—1958 through 1962. Headquarters for Euratom's research activities is the Ispra Research Center in Northern Italy which is being placed under Euratom control through an agreement ratified by the Italian Parliament last July. The Mol project was set up through an agreement between Euratom and the Belgian Centre d'Études de l'Énergie Nucléaire, approved by the Council of Ministers July 19.

Construction is moving fast at Mol. Office buildings,

laboratories, reactor installations are going up, and premises are being made available for 1,100 research workers and the fourth European School. The other three schools are located in Luxembourg, Brussels, and Ispra. At present, 64 members of Euratom's research staff are working at Mol (44 in the Measurements Bureau and 20 on BR2) along with 80 scientists from the Belgian C. E. N. Euratom expects to have about 200 scientists at Mol, 40 of them working on BR2.

# **Combined Enterprise**

BR2 is being built by the Nuclear Development Corporation of America of White Plains, New York, on Belgian designs based on present research reactors in Great Britain, the United States, and France. Experts say that its flexibility and ease of operation will represent a triumph of engineering.

There are two other reactors at Mol: BR1, a conventional natural uranium, graphite-moderated research reactor; and BR3, a small prototype power reactor now

under construction. It is BR2, an entirely new species of research reactor, that particularly interests Euratom. The neutron bombardment in fission is particularly intensive. In the case of BR2, approximately one thousand million million neutrons (10 to the 15th power) will pass through a square centimeter in any direction every second, making it the highest neutron flux reactor in Europe and probably the second highest in the world. This high rate of neutron bombardment will be especially valuable in the testing of materials used in nuclear plant construction.

The whole apparatus will be installed in a radiation-proof building, implanted in the ground to a depth of some 40 feet, and rising 130 feet above it. The reactor itself will be set in a 51-foot deep swimming pool which, by providing protection against radiation, will allow the insertion and removal of charges to be undertaken safely. The reactor core will consist of 79 separate vertical channels of different sizes.

Nearly all other reactors have to be shut down so that the upper cover of the vessel containing the reactor core can be opened for the insertion of new experimental charges or fuel elements—a long and delicate operation. Most reactors, too, must cease operation for the inspection of control rods. But BR2, with a honeycomb of independent channels, can be used at any time for innumerable purposes.

# Simultaneous Experiments

One set will contain the fuel elements—bars consisting of an alloy of 90 per cent enriched uranium and aluminum—along with control rods to regulate the fission process. Other channels will be used to test radiation effects on a wide variety of materials such as high quality alloy steels (beryllium, etc.) and various liquids. Not only will the range of experiments be greater than is possible in any other type of reactor, but they can be undertaken in BR2 independently of each other.

Fission in BR2 will produce some 50 megawatts of heat. But, although the heat will be very intense at the source, it will not be recoverable in the form of power. It will be absorbed by the fast flow of water used to moderate the fission and cool the reactor—500 gallons of water per second will pass through the outflow.

Euratom experts say that during the 20-year period of this agreement BR2 promises to become one of the most important pieces of nuclear equipment under the 20year Agreement for Cooperation with the United States.

# NEW POLITICAL REALITY Caron Sees Need for Increasing Integration

"There is one road open to the future—the way of greater and greater integration, and this implies the giving up of certain aspects of national sovereignty," EEC Vice President Giuseppe Caron told a meeting in Brussels October 6. "We are climbing the ladder of supranationalism which is leading us to a new political reality in Europe."

Vice President Caron, the Common Market Commissioner responsible for press and information activities, is head of the newly appointed Administrative Council for the Joint Information Service functioning for all three Communities. In explaining the future goals of the Communities to members of the Belgian Center of Public Relations, M. Caron urged that old methods of communications and former standards can no longer apply.

"I hope that you who, by the nature of your work, are alert to the social changes of the world share my views and appreciate fully the importance of this veritable political revolution being brought about by the Communities, particularly by the Economic Community," M. Caron said. "But even if the Community remained simply what it is today and did not extend its horizons onward to political unity, it is obvious that no one can now doubt that the good of each one of us is irrevocably tied up with the general good. This I call the 'vocation of supranationalism'—this message to all free men to move rapidly toward new forms of association and integration capable of assuring people the things in life they need."

"The world we live in is on the road of change," M. Caron said, "and even though we may not be wholly aware of it, we are the actors in perpetually changing scenes. We must recognize the fact that our way of life today is entirely different from what it was yesterday and

that the new means of communication at our disposal will influence more and more the life of each of us.

"At the same time, we realize that it is not possible to hold on to the traditions of the past. Relations between individuals and between groups are very different today from what they have been in the past. We must adapt to new perspectives and we must prepare our children to face the great tasks that lie ahead."

The Vice President stated that in the past the democratic ideal could achieve success through nationalism but now that ideal must be achieved through strength and unity. This would mean expanding into "new forms of unity on a much wider base," he said. "Those who have conceived of the (Community) institutions in order to give Europe its needed unity have shown that they recognize the irreversible direction of world events and the necessity for large-scale cooperation which cannot be ignored."

# Springboard to Integration

"That's why the Common Market and the two other Communities—Euratom and ECSC—have been created," M. Caron said, "and though they may differ in certain characteristics, they are all striving for the same goals."

He referred to the Common Market as "the first springboard to integration" and predicted that economic unity would be followed by a new civilization where all barriers—of territory and even of language—would be removed.

"It is especially necessary," M. Caron concluded, "to keep the public informed. All of us who have, in one way or another, some responsibility in this matter have an important task ahead."

# LEMAIGNEN OUTLINES TECHNICAL ASSISTANCE

# Common Market Commissioner Explains Community Program for the Developing Nations

ROBERT LEMAIGNEN, the Common Market Commissioner responsible for relations with the overseas associates, stressed the value of technical assistance when he met with a group of journalists in Washington October 5. Commissioner Lemaignen had come to the United States as head of the EEC delegation to the third meeting of the Development Assistance Group (DAG)\* which was formed last winter on the suggestion of Under Secretary of State Douglas Dillon.

Following is the transcript of pertinent questions and answers during the press conference.

- Q. What was the reaction in the DAG meetings to the United States' request that the European countries, particularly the more industrialized ones, contribute a greater share of the aid to the developing countries?
- A. All of the Western European countries are aware of the need to increase their support. I think that in the next few months you will see an increase.
- Q. Can you say how much of an increase?
- A. No, but let me point out that there are all kinds of support. It is erroneous to think that investments are the most important means of aiding less-developed countries. The first need is technical aid. When financial assistance is granted, one cannot always be certain that it will be properly and efficiently employed. At the DAG meetings each member country's representative agreed with this idea. The importance of figures is often overemphasized. Less-developed countries need experts first of all to assist in planning new programs.
- Q. What might be done to improve the planning of various projects?
- A. My opinion and that of the DAG is that we must

first work closely with the local governments. We cannot impose our ideas regarding investments or living standards. This is extremely important both psychologically and politically. The Community has a three-point program for training able people of less-developed countries.

- 1. People from less-developed areas come to Brussels to learn what the Community is and what the Development Fund can offer. When they return to their own countries, these people, who generally hold high civil-service positions, understand better what can be done.
- 2. Next year we will offer 100 scholarships. We ask the governments of the associated countries what types of specialists they need. We then train people in the appropriate fields. Most of the scholarship grants are for one year, during which time a particular specialty is studied at one of the universities in one of the member countries of the Community. All expenses are paid—transportation, tuition, living expenses, etc.
- 3. Nearly every week we send trained people—economists, engineers, etc.—to discuss problems with local administrative authorities. These people aid the local governments in general economic planning, in the planning of specific projects, and in the solving of technical problems.
- Q. Are there advantages to administrating the aid collectively?
- A. Yes. Action on the part of a collective body is politically more astute than action and aid from a former mother country.
- Q. What do you visualize the role of the DAG to be in the future?
- A. I do not think that the DAG will be an agency with its own funds. That is not necessary. There are enough organizations with the funds and the staffs to extend and administer aid. The purpose of the DAG should be to coordinate the activities of these organizations.

# EXPORT FINANCING GROUP council Approves Establishment of Coordinating Body

A NEW COMMON MARKET COMMITTEE—the Coordinating Group for Policy on Export Credit Insurance, Guarantees and Finance Credits—has been approved by the Council of Ministers on recommendation of the EEC Commission. The new group, formally accepted at the Council's meeting September 27, will face two main problems:

- 1. Methods of harmonizing conditions under which practices of export credit insurance, investment guarantees, and finance credits are carried out within the member countries:
- 2. Means of providing credits for purchase of equipment by less-developed countries through liberalizing practices now applied in the six countries.

Export credit insurance guarantees and credits have for several years been playing an increasingly important part in international trade, particularly in regard to the harmonization of conditions of competition within the EEC and the coordination of member states' commercial policies toward non-member countries. The new specialized agency will be able to deal systematically with problems arising from these practices.

Community countries have in general acquired wide experience in regard to aid to less-developed countries. With the new agency, they will now be able to pool their experience and draw the appropriate lessons for the future in regard to action by individual countries and any action which may be undertaken by the Community as a whole.

The group will be composed of delegates from member countries with specific responsibilities in the field of finance, of export credit insurance, and of commercial policy. Representatives of the Commission will also take part, and the European Investment Bank has been invited to assist.

<sup>\*</sup> Other members of the DAG are: Belgium, Canada, France, German Federal Republic, Italy, Japan, the Netherlands, Portugal, United Kingdom, and the United States.

# THE CRAFTSMAN'S COMMON MARKET

# Free Circulation, Right of Establishment Among Benefits for Skilled Specialists

THE APPEAL OF THE COMMON MARKET may be mainly to European commerce and industry now, but a sizable group of artisans and craftsmen also will reap important advantages from it in the future. Today, an estimated seven million persons work in three million craft enterprises in the six member countries. They represent approximately 10 per cent of the employed persons in the market of 170 million population.

A uniform definition of the self-employed and salaried craftsmen of the Six—photographers, woodworkers, hairdressers, etc.—has yet to be devised. When it is, the first advantage the Common Market will offer to this group will be free circulation. Like other sectors of the economy, the crafts suffer from a shortage of manpower. The opening up of the borders will give access to a reservoir of manpower from which to draw new apprentices. At the same time, the elimination of tariff and quota restrictions will enlarge the markets of the craftsmen and expand their opportunities. It is doubtful, however, if their establishments will grow appreciably, for it is in the nature of craftsmanship that most artisans operate small enterprises.

For this reason, it is not expected that the general program of the Common Market toward removing restrictions on right of establishment will have much effect on the crafts. Transfers of business enterprises in this field

have been rare even within their own national boundaries when there were no restrictions on such movement in the first place. Deep roots in local markets and loyalties to specific areas seem to keep the craftsmen from moving far afield.

## New Link with the Consumer

The Common Market has proposed a plan for removing restrictions on the right of establishment by stages. Craftsmen in the metalworking, woodworking, tanning, and textile fields will see these restrictions lifted by the end of 1963, in the foodstuffs field by the end of 1965, and in a third group—services—by the end of 1967. These dates could be moved up along with the acceleration of the Common Market.

The Common Market will open up new sources of supply and new sales outlets to craftsmen. Recent trade fairs have introduced new machinery and materials of direct benefit to the crafts as well as introducing craft products from member countries hitherto oriented essentially to third-country export—such as toys, handicrafts, clothing. Changes in sources of supply are expected to create new opportunities in design, assembly, and maintenance. It is here that the craftsman, because of his basic knowledge of the local market, can serve as a new link between the foreign producer and the ultimate consumer.

# EUROPEAN SOCIAL FUND TAKES SHAPE

On October 25, 1960, in Brussels, M. Giuseppe Petrilli, member of the Common Market Commission, opened the first meeting of the 36-man Committee of the European Social Fund. This committee, whose task is to help the Commission administer the Social Fund, is composed of representatives of governments, trade unions, and employers' organizations. It meets under the chairmanship of the Commission.

The purpose of the European Social Fund, as laid down in Article 123 of the Treaty of Rome, is to improve employment opportunities and facilities for workers in the Common Market, thus helping to raise the standard of living and at the same time to assist the free circulation of labor. On request to the Commission from one or more member states, the Fund may reimburse 50 per cent of the expenses incurred by the state or states in question, or by a body under public law, for the productive re-employment, retraining, or resettlement of workers, or for tiding over allowances to those whose work is temporarily reduced or suspended as a result of conversion or modernization of their firms. Such reimbursements will be made after all such expenses have been met and after proof has been supplied to show that the workers concerned have been in new productive employment for at least six months.

On the basis of provisional estimates for 1958 and 1959, the Community's Council of Ministers agreed to the request by the Commission that a credit of 500 million Belgian francs be made available for 1960 and that the credit of 500 million Belgian francs voted in the 1959 budget be carried over to 1960.

The operations of the European Social Fund will be partly based on the experience of the "Readaptation" Fund of the High Authority of the European Coal and Steel Community. Between February 10, 1953, and February 9, 1960, the latter granted an estimated \$43.6 million for the retraining and resettlement of workers in coal and steel firms employing a labor force of some 115,085. An equal amount has been contributed for these projects by the six governments.

The European Social Fund, on the other hand, covers not only all categories of workers, but also all forms of unemployment, not simply that brought about by the opening of the Common Market. It will therefore be a positive instrument of the Commission's employment policy which aims in particular at regional development, the reemployment of any surplus agricultural manpower, the adaptation of the labor market to technical progress and to improvements in the structure of production, as well as the full utilization of the freedom of movement for labor.

# TOBACCO TRADE EASED IN THE COMMUNITY

FRENCH AND ITALIAN SMOKERS, long limited to the Gauloise and Nazionale plus a slight sprinkling of American and British cigarettes allowed as a concession to Anglo-Saxon tastes, will soon have access to a much wider choice of cigarettes, cigars, and pipe tobacco.

Initially, the tobacco monopolies of France and Italy presented one of the most difficult problems of the Common Market. But the Italian monopoly has largely opened its doors to other Community tobacco, and now France has decided that French air will not be too gravely defiled by some wafts with a Community bouquet. From July 1, Community tobacco products have been on sale in France as a result of contracts concluded between the French monopoly and the tobacco industries of the other Community countries. The agreement means that the French market will import each year a quota of 400 million cigarettes from Germany and the Benelux countries, 180 tons of pipe tobacco, and approximately 15 million cigars.

Meanwhile, the German government is examining ways of easing entry of other Community tobacco products, particularly where imports into Germany are made difficult by high tariffs on tobacco.

The experts are also ironing out some of the major differences in the tax systems at present applied to tobacco in the different Community countries.

# Tobacco in the Common Market GERMANY

- Germany produces some 20,000 tons of tobacco and imports over 90,000 tons.
- The excise duty on manufactured tobacco amounts to about 50 per cent of the total value of sales.

 Germany levies prohibitive customs duties on finished products. Imports of manufactured tobacco are practically non-existent.

### **BELGIUM**

- Belgian production of leaf tobacco represents some 10 per cent of the country's total consumption, which is particularly high (roughly 90 ounces per head each year).
- Excise duties currently levied are 19 per cent for cigars, 56 per cent for cigarettes, 20 per cent for cigarillos, and 25 per cent for pipe tobacco.

## **NETHERLANDS**

- Dutch tobacco production is negligible, while consumption is over 29,000 tons per year, practically all of it imported.
- The excise taxes on tobacco are the same in the Netherlands as in Belgium.

### FRANCE

- French tobacco output is 55,000 tons a year, supplemented by 10,000 tons imported from the overseas countries of the French community and another 19,000 tons from third countries.
- A monopoly controls production and distribution.
- Non-government import of finished products is banned except for limited personal imports.

### ITALY

- Italy is the Community's biggest tobacco producer. Her 60,000 tons of domestic output are supplemented by 11,000 tons of imported tobacco.
- A state monopoly controls production and distribution.
- Non-government import of finished products is banned except for limited personal imports.

# Newsbriefs

Common Market
Euratom
Coal & Steel Community

# **Equal Pay for Men and Women**

Because of the acceleration of the Common Market, the EEC Commission has asked the governments of the six member countries to guarantee that a policy of equal pay for men and women workers in identical jobs be instituted before June 30, 1961. Previous to the accelerated program, this guarantee was not required before January 1, 1962.

The governments have been requested to insure equalization of pay scales in private industry as well as in the public sector, to establish control measures, and to keep the Commission informed of their progress. The EEC has pointed out that such a policy of equality is necessary to avoid any difficulties in maintaining the proper balance in the transition to the full Common Market under the accelerated program.

A group representing labor and industry gathered in

Brussels September 20 at the invitation of the EEC's Department of Social Affairs to study means of applying Article 119 of the Treaty of Rome which is concerned with equal pay. The conferees decided that, in connection with the request of the Commission to the member governments, interested organizations should also present reports regarding methods for putting this aspect of the treaty into effect. It was agreed that these reports should be submitted to the Commission before the end of this year.

# **Nuclear Shipping Studied**

Experts from Belgium, France, the German Federal Republic, Italy, and the Netherlands focused their attention on the problems of nuclear marine propulsion at a meeting held in Brussels October 27 at the invitation of the Euratom Commission.

After the Commission had reported on current plans for the development and construction of ships of this type in the Euratom countries, discussion ranged over a number of questions, particularly those relating to the safety of the population when nuclear-powered vessels are in coastal waters and harbors. The problem has attracted a considerable amount of attention on a national level, and it is hoped that a coordinated system of legislation may be worked out by member countries.

# Petrilli Resigns from EEC

Giuseppe Petrilli, member of the Commission of the EEC since January 10, 1958, has resigned to accept appoint-



ment as president of Italy's Institute for Industrial Reconstruction, a government organization which controls about 30 per cent of the country's industrial production. Throughout his connection with the Common Market, both before it came into being and since, M. Petrilli has been mainly concerned with social affairs. During the preparation of the Treaty of Rome, he was largely responsible for the creation of the European Social Fund and worked for the establishment of regulations for the free movement of workers throughout the Community.

The Institute for Industrial Reconstruction, Italy's principal national institution for coordinating industrial development, has jurisdiction over the following major enterprises: Finmare, Finsider, Finmeccanica, Finelettrica, Fincantieri, RAI TV.

# **U.K.-EURATOM Committee Second Meeting**

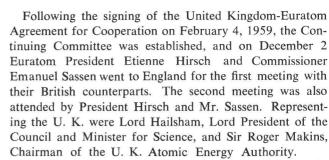
The United Kingdom-Euratom Continuing Committee for Cooperation, at its second meeting held November 29 in Brussels, pledged further cooperation and exchanges of information on reactor development. The committee also discussed continued collaboration on health and safety questions and on the application of radioisotopes.

NO. 43

# EUROPEAN COMMUNITY

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Two Euratom engineers are already working at the Harwell facility in England, and British representatives have studied Euratom's BR2 reactor at Mol. Among immediate plans for further exchanges of information is a visit to Harwell and Winfrith of 15 Euratom experts, scheduled for early 1961 for the purpose of discussing means of pooling data in the basic fields of reactor and engineering physics with reference to nuclear measurements.

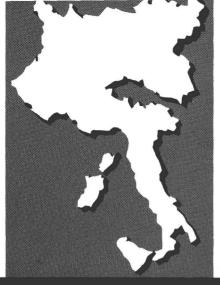
# **EEC Talking with Turkey**

A ten-man delegation of the Turkish Government began new negotiations with representatives of the EEC Commission October 14 in connection with Turkey's request for association with the Common Market. The initial request was made July 31, 1959, and received the Community's favorable endorsement September 11, 1959.

The Common Market delegation for the current discussions is headed by Günther Seeliger, director general of external relations for the Community. Former Minister of Commerce Dr. Cihat Iren heads the Turkish delegation. Earlier negotiations had been interrupted following political changes in Turkey.

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