



Bulletin from the

EUROPEAN COMMUNITY

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

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NEW HORIZONS FOR EUROPE?

U.K.—Common Market Talks Reach Crucial Stage

GREAT BRITAIN AND THE COMMUNITY reached a wide measure of agreement in their negotiations for Britain's entry into the Common Market before the Brussels talks were adjourned during the early hours of Sunday, August 5.

When the Brussels meetings ended and the summer recess began, outline agreements had been reached on all but a few crucial points. The most important of these concerned assurances on the Community's agricultural price policy and the opportunities for other countries—notably those of the Commonwealth—to sell their farm produce in the Community. British and Community statesmen were hopeful that these problems could be solved when the negotiations are resumed early in October.

The Commonwealth Prime Ministers, meeting in London on September 10, were thus enabled to consider most of the basic terms outlined for Britain's entry into the Community.

Outline Agreements Reached

The positive results of the negotiations are provisionally as follows:

- Imports of manufactured goods from Australia, New Zealand, and Canada (agreement reached May 30): Great Britain would accept the gradual application of the Common External Tariff on these goods. It would be applied in three steps: 30 per cent on entering the Community, 30 per cent more on January 1, 1967, and the remaining 40 per cent on January 1, 1970. Consultations between the enlarged Community (Britain and the Six) on the development of their trade in this sector would be held in 1966 and 1969. Any measures adopted would be in conformity with the Treaty of Rome.

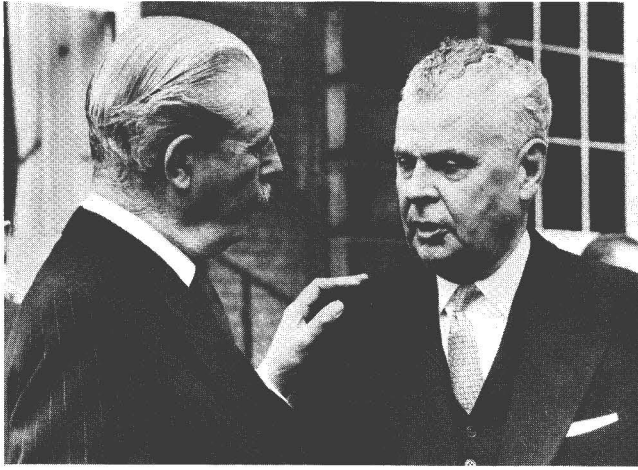
- Annual agricultural review in the enlarged Community (agreement reached July 28): The Six would accept the principle of an annual comparison between farm workers' incomes and those in other industries, on the basis of which the Commission, at the request of a member government or on its own initiative, could propose special measures to the Council of Ministers.

- Association of Commonwealth countries with the Community (agreement reached August 2): The Six have agreed that all dependent Commonwealth territories, except those such as Hong Kong which present special problems, would be eligible for association. Likewise all independent Commonwealth countries in Africa and the West Indies would be eligible to apply for association. The terms of association would be determined after the terms of the

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British Prime Minister Harold Macmillan and Canadian Prime Minister John Diefenbaker, at the Commonwealth conference in London, where the main issue was Britain's application for Common Market membership.

1963 Convention of Association now under discussion between the Community and its present African associates have been settled.

Meanwhile, special arrangements would be sought for Hong Kong, Malta, Cyprus, Aden, and other such areas which require further consideration. Independent Commonwealth countries in Africa and the West Indies which did not desire association might be offered special arrangements with the enlarged Community at a later stage.

- Imports of manufactured goods from India, Pakistan and Ceylon (agreement reached August 3): The enlarged Community would negotiate comprehensive trade agreements with these countries before January 1, 1967, with the aim of developing trade, increasing these countries' export earnings, and contributing to their general economic development.

On cotton textiles, Britain would apply the Common External Tariff (18 per cent) on imports from these countries in four stages: 20 per cent on entering the Community, 20 per cent 18 months later, 30 per cent two and a half years after entry, and 30 per cent when the common tariff is fully applied throughout the Community. The Community would, however, be ready to make special arrangements for textiles from these developing Commonwealth countries in order to prevent a fall in their exports which would harm their economic development. At the same time the Six reserved the right to apply safeguard clauses, should it become necessary to protect their home markets against excessive competition from producers with low wage costs. For other manufactured goods, the tariff would also be applied on a gradual basis, and the Common External Tariff would be reduced to zero for certain minor industrial products, notably certain sports goods.

Arrangements for imports of jute, coir mats and matting, hand-knotted carpets and some leather goods from India, for which Britain has asked nil tariffs, have not yet been made.

- No tariff on tea: The Community accepted Britain's request for a nil tariff on tea imported from India and Ceylon (and accordingly from all other countries).
- New Zealand: The Six have stated their intention of examining the special problems of New Zealand's trade position after British entry into the Community.

Points Not Yet Agreed

- Tariff concessions on 25 Commonwealth products: Britain has asked for nil tariffs on 25 Commonwealth products, including aluminum, zinc, and newsprint. Britain has also asked for duty-free quotas for some nickel and copper products, wood pulp and other goods, which have been accepted in principle by the Six. But the Six have pointed out that nil tariffs or quotas must take into account not only consumption levels in the Community but also Community production.
- Transitional arrangements for British horticulture, pork, and eggs: Britain has asked for a gradual application of the common agricultural policy in so far as it affects fruit and vegetable growers. The details of the transitional arrangements have not yet been settled, nor have marketing regulations for eggs and pork, for which Britain's marketing system is very different from that adopted under the Community's common agricultural policy.
- Tariff concessions on processed foodstuffs from Canada, Australia, and New Zealand: Britain has asked for nil tariffs for some processed foodstuffs from these Commonwealth countries, notably for canned salmon from Canada, and duty-free or preference-rate quotas for others (for instance, for canned or dried fruit from Australia). Agreement has not yet been reached on this request.

Partial Agreement on Some Crucial Points

When the talks adjourned, the main outlines of possible agreement on the crucial question of temperate-zone foodstuffs from Canada, Australia, and New Zealand seemed to be becoming clear, though full agreement on this point had not yet been achieved.

Great Britain imports more food than any other single country in the world. Most of it comes from Canada (grain), Australia (wheat, meat, butter and sugar), and New Zealand (meat, butter and cheese). The problem is that of giving these countries reasonable assurances that their interests will not be damaged by Britain's entering the Community, while at the same time safeguarding the unity of the Community's common agricultural policy, the autonomy of her own commercial policy, and the legitimate interests of other countries outside the Commonwealth.

As a definitive solution to the problems of world agriculture, Britain and the Community are in principle agreed that world-wide arrangements are necessary and that an enlarged Community would take an early initiative aimed at securing world-wide agreements for certain important agricultural products. Such agreements could be evolved at an international conference.

It was also agreed that the Community's price policy, which is the determining factor for the level of its own production, and therefore for its imports from outside, should be so devised as to ensure a reasonable income to Community farmers and also to develop world trade satisfactorily. In principle, it was agreed that "reasonable opportunities" would thus be given to Commonwealth producers in the enlarged Community market; but the precise terms in which price policy is to be defined had still not been agreed when the negotiations were adjourned.

At a previous meeting Britain and the Community had in principle settled the terms of the so-called "bridge," to cover those cases where world-wide agreements might not

have been reached before the end of the transition period. Here, the Community agreed to consult with those countries willing to reach agreements—and in particular with Commonwealth countries—with a view to securing suitable arrangements.

Other Unfinished Business

At the August meeting the problem of the transition period was not definitively settled, although, on products now enjoying a preference in the British market, the Community offered to give Commonwealth producers part of the benefit of the levy reduction enjoyed by Community member states, and initially 100 per cent of it. For other products it agreed so to fix the levy reduction as to avoid sudden and drastic disturbances to trade; and in both cases it agreed to consult with Commonwealth countries should such disturbances occur.

One reason why the precise terms for temperate foodstuffs could not be settled at the August meeting—apart from the intrinsic difficulty of the problem—was that Britain and the Community were unable to agree on the financial regulation covering contributions to, and use of, the Community's agricultural fund. In January 1962 when the Community countries agreed on the main lines of the common agricultural policy, they also agreed to build up a fund to be supplied from levies on food imports and—during the transition period—on intra-Community agricultural trade. This fund would be used for support-buying within the Community in the event of oversupply, for sub-

sidies on Community exports if world market prices remain depressed, and for financing structural improvements in Community agriculture. The Six agreed in January that for the first three years national contributions to this fund should be limited to certain percentages (see *Bulletin* No. 52, pp. 3 and 4, and *Bulletin* No. 54, Correction, p. 15). Disagreements persisted, however, as to arrangements therefor, partly because the Community's member states rely in very different degrees upon imports and have very different proportions of their total population employed in agriculture.

In principle, Britain has agreed to the agricultural fund, but during the final all-night session of August 4-5 Britain's delegation was asked to make its agreement more specific as a condition of full settlement of the temperate foodstuffs problem. The proposed text for the agreement, the British delegation felt, would require examination by experts; and these matters remained when the meeting finally adjourned at 7 a.m. on Sunday morning, August 5.

According to statements issued after the meeting, the problems involved in relating British, Commonwealth, and Community agriculture were too complex to be solved there and then. But Italian Commerce and Industry Minister Emilio Colombo, who presided during the latter part of the meeting, said: "This document [the outline agreement on temperate foodstuffs] sets out the basic lines of agreement. Quite obviously they will have to be developed still further at a later stage and completed. But we have the basic principles."

AGRICULTURAL COMMON MARKET IN OPERATION

Start Made With Grains, Eggs, Poultry, Pork

THE FIRST MAJOR SET OF MEASURES to implement the European Community's common agricultural policy is now in force.

Effective July 30, national controls on import quotas, minimum price regulations, and tariffs on grains, eggs, poultry, and pork were replaced by Community controls. Import levies are now applied by the Common Market to these products in both internal and external trade.

The levies, designed to prevent domestic producers from being undersold, bring the prices of imported produce into line with the prices ruling in the particular national market; in order to provide a measure of Community preference, they are lower in the case of intra-Community trade than for external trade.

Import quotas on top-quality fruit and vegetables were also removed on July 30, although national tariffs remain. Quotas will continue to be applied to the next category of fruit and vegetables until the end of 1963 and to the remainder of this sector until the end of 1965. This group of products is not subject to import levies.

Daily Calculations for Grain Prices

The agricultural department of the Common Market Commission, under Vice President Sicco Mansholt, is responsible for the day-to-day application of the new regulations.

For grains, this involves the daily calculation of new



Newly formed advisory committees, which will help in achieving a common agricultural policy, will include representatives of the farm workers as well as of consumers.

base prices for each class of produce. These base prices are communicated daily to the relevant government bodies in each of the six member countries; and the amount of the levy to be imposed at the national frontier is calculated on the difference between the base price and the threshold price, determined annually, for the particular country. The Commission also determines daily the base price for the



Feed grain prices determine cost to farmers of raising eggs and poultry.

calculation of subsidies to be paid to Community exporters of grains.

The levies on eggs, poultry, and pork will change less frequently than those for grains. The only variable element for these three products will be that designed to compensate for the effects of changes in feed grain prices (which affect farmers' basic production costs for eggs, poultry, and pork); this will be determined every three months for forage imported from non-Community countries. Support for Community grain prices will make changes in the intra-Community levy in this category equally infrequent.

Red-Letter Day in Agriculture

The original date set in the historic agreement reached by the Six on January 14, 1962, to inaugurate a common agricultural policy was July 1, 1962. On June 29 the Council postponed this, because of technicalities, to July 30.

July 30, 1962, therefore marked the beginning of the 7½-year preparatory period during which a common market in agriculture will be fully established, although some

decisions on agriculture taken by the Council of Ministers on proposals submitted by the EEC Commission became effective earlier in the month.

Within the next year, levy regulations similar to those for grains, eggs, poultry, and pork will be put into effect for rice, beef, dairy produce, and sugar. On October 1, 1962, the Community will bring into operation a program aimed at making maize production more profitable; the Council of Ministers has already tackled various other problems such as the harmonization of accounting procedures.

During the preparatory period the internal levies will gradually be reduced as prices in the Community countries are harmonized, and by the end of the period they will be abolished altogether. Levies on imports from non-Community countries will remain, however.

In order to put this first stage of the agricultural common market into effect, over 80 regulations proposed by the Commission have been passed by the Council.

Advisory Committees for Agricultural Products

The Council has decided to set up advisory committees for each of the five commodity groups subject to Community organization—grains, eggs, poultry, pork, fruit, vegetables, and wine.

Unlike the management committees composed of officials, the advisory committees will consist of trade representatives and will be purely consultative. They will enable the Commission to seek the opinions of all concerned on aspects of the common policy for agriculture.

The committees will include representatives of farmers' organizations, agricultural cooperatives, farming and food-processing industries, dealers in farm produce and food-stuffs, and farm and food-industry workers. Consumers, who will be directly affected by the operation of the common policy, will also be represented on all the committees.

EUROPEAN AND AFRICAN ASSOCIATES DISCUSS NEW AGREEMENT

New Five-Year Total Aid Figure Presents Difficulties

MINISTERS OF THE ASSOCIATED AFRICAN COUNTRIES and the European Community's Council of Ministers, meeting on July 4 and 5, reached substantial agreement on the main outlines of a new convention of association, but failed to agree on the total amount of Community aid.

The Council of Ministers' proposals for an aid program of \$780 million, to come into operation on January 1, 1963, were not accepted by the African and Malagasay ministers, whose views were presented by the Economic Affairs Minister of the Ivory Coast, Raphael Saller. The meeting, which was the third in the present discussions of the association convention, was held in Brussels under the presidency of Emilio Colombo, Italian Minister of Industry and Commerce.

M. Saller, on behalf of the associated countries, asked for Community aid of \$810 million to go to the independent associated countries alone; of this figure, he proposed that \$580 million go to the jointly administered European Development Fund and \$230 million to finance special

programs for diversifying the economies of the associated countries and enabling their produce to be sold at more competitive prices.

Aids to Production and Diversification

For the five years 1963-67 the Community had already offered, to all the associated countries, \$580 million for the Development Fund and \$200 million for the special programs for diversification of the economy, or a total of \$780 million (see *Bulletin* No. 54, p. 2).

M. Saller said that the additional \$30 million was necessary to compensate for the eventual elimination of price supports which are maintained in France for some of the associated countries' exports.

Signor Colombo suggested that the price supports could be eliminated gradually rather than all at once and that the associated countries could seek aid from the member countries of the Community in addition to what they received under the new Convention. In the past four and one-half

years, it was pointed out, France has given about \$1 billion annually in bilateral aid, including the special price supports. Georges Gorse, French Minister of Cooperation, added that France would continue to maintain price supports, on a decreasing scale, for some exports of tropical produce from countries of the French franc zone.

The ministers of the associated countries were unable to give an immediate reply to these proposals but said they would do so through normal diplomatic channels.

40% Cut on Coffee, Tea, Cocoa Proposed

The Community proposed, parallel with the new Association Convention, to reduce by 40 per cent the Common External Tariff (which applies to all non-associated countries) for coffee, tea, and cocoa. Of the reductions for coffee and cocoa, 25 per cent would be permanent and 15 per cent would consist of a suspension of duty. Reductions of 15 to 20 per cent on other tropical products were also proposed.

For the associated countries the Community would abolish all duties on these products, and also on bananas, pineapples, spices, and tropical woods, at the end of this year instead of waiting until the end of the transition period.

While the associated countries have accepted in principle the reduction of the preferences their exports enjoy in the Common Market at present, their final agreement depends on the financial compensations they will receive in the form of grants and loans for economic diversification. They also asked for an extension of the list of products which may enter the Community duty-free after the new Convention comes into force.

The Community also proposed that for their part the associated countries should reduce tariffs on Community goods by 15 per. cent per annum and eliminate, starting on January 1, 1963, all discrimination between the products of the different Community countries. They asked the

Latin Americans Increase EEC Contracts

Latin American producers are concerned about the encouragement the Common Market is giving to coffee and cocoa production in Africa, according to Jose Mora, Secretary General of the Organization of American States. They welcome, however, the Community's planned reduction of the Common External Tariff on these products, Señor Mora said.

The OAS Secretary General made these remarks after talks held July 16 and 17 with EEC Commission President Walter Hallstein and Commissioner Jean Rey at Common Market headquarters in Brussels.

Señor Mora, accompanied by two other OAS officials, Walter Sedwitz and Jorge Sol, also visited each of the six member countries of the Community to discuss the possibility of further exchanges of visits between officials of Latin American and European countries. The EEC Council of Ministers is considering a Commission report on future EEC relations with Latin America which recommends such exchanges (see *Bulletin* 55, p. 12).

On July 30 President Hallstein received Ambassador Regulo Burelli-Rivas, head of the Venezuelan Mission to the EEC. Venezuela is the sixth Latin American country to accredit a diplomatic mission to the Common Market (others are Brazil, Colombia, the Dominican Republic, Mexico, and Peru).

associated countries as a matter of principle not to favor Community products less than those of third countries. The associated countries indicated that their acceptance of these proposals would depend on the settlement of the aid question.

U. S.-EURATOM REACTOR PROPOSALS RECEIVED

THREE PROPOSALS for the construction of nuclear power plants to be in operation by December 31, 1965, have been received in the second stage of the U. S.-Euratom Joint Reactor Program.

The proposals were in response to the invitation for participation issued by the Euratom Commission and the U. S. Atomic Energy Commission on September 21, 1961, and closed on August 1, 1962.

The most recent proposal was submitted by the German firm Kernkraftwerk RWE-Bayernwerk G.m.b.H., for a 237-megawatt boiling-water reactor plant located near Guenzburg on the upper Danube River. Principal suppliers for the plant would be Allgemeine Elektrizitätsgesellschaft, Hoch-Tief A.G. fuer Hoch- und Tiefbauten, and International General Electric Operations S. A.

The Italian firm Società Elettronucleare Italiana (SELNI), which is already constructing a pressurized-water reactor of over 200 MWe near Trino Vercellese, has also applied for participation under the joint reactor program. Principal contractors for supply of this plant are

Westinghouse Electric International Company, Ercole Marelli S.P.A., and Franco Tosi S.P.A.

The third proposal, made earlier by the Franco-Belgian SENA, for a power plant at Chooz has already been accepted by both Commissions (see *Bulletin* No. 55, p. 11).

The two more recent proposals are being examined by the Joint Reactor Board.

The German group Kernkraftwerk Baden-Wuerttemberg Planungsgesellschaft (KBWP), which had considered proposing the construction of a 150-MWe organic cooled and moderated reactor, advised the Joint Reactor Board that its project could not meet the completion deadline of December 31, 1965.

Under the first invitation issued by the Joint Reactor Board on April 13, 1959, for reactors to be in operation by December 31, 1963, a proposal by the Italian firm Società Elettronucleare Nazionale (SENN) for operation of a 150-MWe boiling-water reactor was accepted. Construction of the reactor, at Punta Fiume near Naples, is well advanced.

FOUR EUROPEAN COUNTRIES NEGOTIATE WITH EEC



The Swedish delegation gives its views on association: left to right, Under Secretary of Commerce Gunnar von Sydow, Ambassador K. G. Lagerfelt, Minister of Agriculture Eric Holmquist, Minister of Commerce Gunnar Lange, Under Secretary of Foreign Affairs Hubert de Besche, Sten Lundberg of Ministry of Commerce, and Sten Lindh of Foreign Affairs Ministry.

THE EEC-BRITISH NEGOTIATIONS held the center of the stage in July and August, but during July the Common Market also heard Norway's opening statement in its application for membership, continued to negotiate on membership with Denmark, and heard statements from Sweden and Austria on their requests for association.

At the end of September the Six will also hear a statement by Switzerland, another applicant for association.

Membership Applicants

• Norway

The Norwegian Government began negotiations to join the Common Market on July 4. Addressing the Council of Ministers, Norwegian Foreign Minister Halvard Lange stated that Norway's economic policies are generally compatible with those of the Community and that his government would not ask for changes in the present external tariff. Seventy-five per cent of Norway's exports go to Western Europe and 75 per cent of her imports come from the same source, Mr. Lange added.

Agriculture and fisheries are the two major problems to which solutions must be found in the negotiations, according to Mr. Lange. He explained that, because a quarter of the Norwegian population gets its living from the land or the sea, and also because production costs are high, his government's approach to these problems must be cautious. Norway hopes to participate in the establishment of future Community fishery regulations and believes that a Community policy of free fishing could be reconciled with Norwegian reservation of certain areas for its own fishermen, Mr. Lange said.

The Norwegian Foreign Minister said that Norway also wishes to join the Coal and Steel Community and Euratom.

• Denmark

On July 28, at its fifth meeting with the Danish delegation led by Foreign Affairs Minister Otto Krag, the Common Market Council of Ministers asked the Committee of Deputies to continue its work on specific matters connected

with customs duties and to discuss a report by the Common Market Commission on the problems of economic union. This report, drawn up with the assistance of the Danish delegation, lays special emphasis on the problems of the free movement of capital, a field in which Denmark has asked for some modification of the Community regulations, and on the question of harmonizing social welfare provisions.

Denmark requested guarantees that "floodgate" prices (which, under the Community's common agricultural regulations, came into force on July 30) should not be applied to Danish exports of eggs, poultry, and pork to the Community. The Council felt that this was not a subject for the main negotiations and referred it to the Commission as a routine matter.

Outstanding problems in the Danish negotiations include the question of the tariff level to be taken as the base for further discussions; agreement on the list of goods for which Denmark wants nil tariffs (virtually the same as the British list); and the status of the autonomous territories, the Faroe Islands and Greenland, for which Denmark wants equal treatment under the Treaty of Rome.

Association Candidates

• Sweden

At the Swedish Government's request, the Council of Ministers received a delegation on July 28 to hear Sweden's views on association with the Common Market.

Swedish Trade Minister Gunnar Lange, leader of the delegation, said that his government would ask for certain amendments to the Treaty of Rome to permit Swedish association:

—Recognition of Sweden's right to take whatever steps might be dictated by its policy of neutrality and not to participate in Common Market measures that would be contrary to that policy.

—Acceptance of Sweden's right to retain freedom of action in concluding bilateral commercial agreements with non-

member countries.

—Authorization for Sweden to stockpile certain commodities, mainly foodstuffs and pharmaceuticals, in case of war.

—Agreement for Sweden to maintain a certain minimum level of economic self-sufficiency.

In reply, Carlo Russo, President of the Council, said that the Swedish statement had confirmed the complexity and gravity of the problems of association of neutral countries within the framework of the Treaty; he added that requests for association by the other European neutrals, Austria and Switzerland, presented closely related problems and that it would only be possible for the Council to give its views after meeting Swiss representatives at the end of September.

• **Austria**

The Council of Ministers also heard on July 28 a declaration of the Austrian Government's position on association with the Common Market.

Austrian Foreign Minister Bruno Kreisky said his government accepts the general principles of the Rome Treaty, in so far as they are not contrary to its policy of neutrality. It also accepts the principles of gradual elimination of customs duties and quota restrictions, harmonization of tariffs, and coordination of its commercial policy with that of the Common Market.

Nevertheless, Austria in association with the Community would want to retain the right to conclude commercial

What the French 'man in the street' thinks of British membership . . .

In a recent public opinion poll in France, 26 per cent of those who replied thought that Britain would be a loyal partner in the Common Market; 29 per cent thought that if Britain joined she would try to gain control; and 14 per cent said that Britain would join only in an attempt to scuttle the Community.

Nevertheless, 38 per cent thought that it would be in France's interest if Britain joined, against 24 per cent who thought that it would not.

Nearly 60 per cent of those questioned considered political unification of the Community either indispensable or desirable.

agreements with non-member countries and to suspend or abrogate all or part of the Treaty in situations where her neutrality was threatened. Herr Kreisky said that it would probably be in the interests of both Austria and the Community if permanent and independent association institutions were set up.

Formal negotiations with the neutral countries were tentatively scheduled to begin in October, after the Council has heard the views of the Swiss Government.

Community Produces More Vehicles Production of Private and Commercial Vehicles

VEHICLE PRODUCTION in the European Community continued to rise in 1961 while the output for the rest of the world's motor industry declined. The Community increased its total output by 61,000 units to 4.1 million, though its production of heavy vehicles declined by 11,000 units to 452,000.

In thousands	1958	1959	1960	1961
Germany (F.R.)	1,495	1,718	2,055	2,147
France	1,125	1,281	1,346	1,202
Italy	403	501	645	759
Netherlands	1.4	6.4	19.1	18.1
Belgium & Luxembourg	0.4	0.3	0.8	0.8
Total EEC	3,025	3,507	4,066	4,127
United Kingdom	1,365	1,560	1,811	1,464
United States	5,121	6,723	7,888	6,644*

* provisional

The Common Market remained the world's largest exporter of vehicles in 1961. Here are U.S.-imported Renaults at arrival in Newark port.



SOVIET BLOC REACTS TO EEC

Indecision Indicated by Statements, Meetings

DURING THE SUMMER OF 1962 THE SOVIET BLOC registered belated recognition of the growth of the European Community.

Communist reactions took various forms: a war of words against the Common Market; U.S.S.R. Premier Nikita Khrushchev's proposal for an international trade organization; a trend within the Soviet bloc toward strengthening its own economic ties; and, intermittently, apparent overtures toward the Common Market.

Articles about the European Community appeared in the Soviet press almost daily, ranging from diatribes (which appeared to be intended primarily to influence the newly independent African countries) denouncing the Common Market as a form of imperialism to "analyses" of capitalist economics by Soviet experts.

On June 6 and 7 Comecon (Council of Mutual Economic Assistance, the economic alliance of the Soviet bloc) met in Moscow. A communiqué issued after the conference stressed the importance of "still closer" economic collaboration and "the creation of more favorable conditions" for specialization between Comecon countries.

The conference agreed, according to the communiqué, that "the enhancement of the role, authority and responsibility of Comecon is an indispensable condition of further progress." It adopted as a basis for future policy a document establishing the "principles of division of labor between socialist countries" and urging closer coordination of economic plans and increased specialization. Although the communiqué made no reference to the Common Market, it reproduced Premier Khrushchev's call for a world conference on international trade (see *Bulletin* No. 54, p. 7); it also recorded the delegates' desire to "develop their trade with the capitalist countries."

Russians Suspend Trade Talks with France

Despite these statements, on June 13, a week after the Comecon conference, the Soviet Union broke off trade talks with France.

These talks, aimed at renewing the present Franco-Soviet trade agreement for the period 1963-65, had begun in Moscow on May 16. According to French official sources, the talks foundered on Russian insistence on a most-favored-nation treatment in the new agreement. This would have obliged France to grant the U.S.S.R. the same tariff reductions it accords to fellow members of the European Community.

According to officials in Paris, it is recognized under international law (GATT) that the most-favored-nation treatment cannot be used to extend the advantages of a customs union to outside countries. The Russians, however, argued that the Common Market is not in fact a customs union because tariffs between members have not yet been eliminated completely.

On this note the talks, which concerned trade worth \$100 million a year, were adjourned. No date was set for their resumption.

On August 26 *Pravda* had a two-page article denouncing the Common Market as an imperialist agency. An article



in the September issue of the journal *Problems of Peace and Socialism* published in Prague, however, presented a different confrontation by Premier Khrushchev.

Although the Soviet Premier reiterated his objections to the structure and policies of the Common Market, he said: ". . . The question arises of the possibility of economic collaboration and peaceful economic competition not only between individual states with different social systems but between their economic associations." The article also recommended methods for strengthening the Soviet economy under Comecon, advocating greater unity of the alliance and greater specialization by its members. Measures proposed to achieve a more coordinated economy included the establishment of an executive committee in Comecon.

Meanwhile a week-long Communist economic conference was held in Moscow from August 27 until September 3 under the auspices of the Academy of Science to "discuss problems of contemporary capitalism." More than 100 delegates, mostly from Europe, attended. Although they expressed disapproval of the Common Market, the economists, both visitors and hosts, made frequent admissions of its economic achievements. Anushavan Arzumanyan, director of the Institute of World Economy of the Soviet Academy of Science, labeled the Common Market "imperialist integration," yet described it as a "real technical and scientific revolution which creates an enormous renewal of capitalist industrial structure." Perhaps the best concensus was expressed in *Pravda*: "Despite its ugly capitalist form, [the Common Market] may give a stimulus to the growth of volume of production and domestic foreign trade."

East-West European Trade Has Risen

Community trade with the East European bloc increased by 61 per cent between 1958 and 1961, according to Dr. Mario Bolasco, head of the Common Market's eastern trade department. Commenting on Premier Khrushchev's statements that the Common Market represents a threat to world trade, Dr. Bolasco pointed out that in its 1958-61 trade with the Eastern European bloc, the Community's imports rose from \$678 million to \$1,079 million and its exports from \$653 million to \$1,098 million.

PRESIDENT HALLSTEIN REPLIES

Says Community Confounds Communist Doctrine

WHY THE STRONG SOVIET ATTACKS on the European Community this summer?

President Walter Hallstein of the EEC Commission, in a speech June 22 to the diplomatic press in Paris, declared that "the basic meaning of the attacks . . . is that the Soviet leaders have clearly recognized, albeit very late in the day, that something has happened . . . that is absolutely impossible according to Marxist-Leninist theory."

Excerpts from President Hallstein's talk follow:

"One of the major arguments of Soviet propaganda alleges that the Common Market is aggravating the contradictions of the capitalist world and is precipitating a relentless struggle for position in the European market among rival monopolistic groups."

"A strange argument indeed. What are the origins of the growing interpenetration of the internal market of the Community which has brought about an increase of 73 per cent in internal trade in four years, an increase of 19 per cent in the gross national product of the Community, and an increase of 29 per cent in industrial production? Does this look like a murderous struggle for position among monopolies? How does this argument account for the freely expressed aspirations of our European neighbors . . . to join the Common Market or to be associated with it in one form or another?"

"The basic meaning of the attacks made against us is that the Soviet leaders have clearly recognized, albeit very late in the day, that something has happened, with unexpected speed and surprising success, that is absolutely impossible according to Marxist-Leninist theory. According to this theory, capitalist states cannot overcome their differences and unite; such a union cannot create conditions for long-term economic planning covering large areas and ensuring stability and security in the face of crises; these phenomena cannot be the forerunners of an economic system that might one day include the whole free world."

"All this is impossible to the Communist mind, not only for theoretical reasons, but for practical ones as well. It is impossible because the Eastern bloc has now reached a state of crisis in its economic evolution which is causing increasing anxiety among Soviet leaders. . . ."

The Community and Africa

"Before I draw any conclusions, however, let me return to what seems to me to be the second basic argument of Soviet propaganda. It is aimed principally at countries in the process of development and seeks to play on their many apprehensions and susceptibilities. It states, broadly, that the Community is a union of the rich for exploiting the poor; and that, for the associated African countries in particular, the aim of these attachments is to keep them in a state of subjection or to prevent the development of their industries."

"These arguments are fairly easy to refute in themselves, but they have also a deeper significance."

"I believe that historians of the future will see our era as one of rapid and profound change for the free world."



If yesterday we became aware of the strength of nations, today we are in the process of becoming aware of the strength of the family of peoples. What is more, this new prospect of affairs conducted in a spirit of good will, in our case initially by financial partnership as an aid to development and the establishment of a world-wide economic and social system, will enable this strength to be exercised rationally.

"Let us look at facts and figures for a moment. In the four years which have elapsed since the coming into force of the Rome Treaty, the member countries of the Community have devoted nearly \$10 billion to aiding development. In addition, the Community has also formed a development fund from which the associated African countries will have received \$581 million during the first five years of the Treaty."

' . . . Nothing To Do with Colonialism '

"But this is not all. More important is the fact that our association is a perfectly free one. The present arrangement expires at the end of this year, and we are currently negotiating a new agreement with the African states. And if negotiations take place, it is because they themselves wish it. These are free countries, sovereign countries, and no pressure is put on them."

"The allegation that the Common Market prevents these countries from developing their industries is particularly absurd—65 per cent of the aid from the Community has been devoted to developing infrastructures and to general encouragement of their economies. It will be the same in the future within the framework of the new Development Fund, which in all likelihood will be increased. Moreover, although the Community imports the products of its associates freely, it gives them a unilateral right to protect their nascent industries against exports from the Community. All this has surely nothing to do with colonialism."

"Nothing is more foolish than to pretend that our enterprise is directed against the Eastern bloc. What we are doing we are doing for ourselves and for the whole free world together. We are doing it by the most peaceful means that can be imagined. And we are doing it, finally, in the hope that one day we will be able to convince even those who today believe it necessary to be our opponents that there are advantages in cooperation."

COMMON MARKET PLANS JOINT TRADE POLICY

THE COMMON MARKET COUNCIL OF MINISTERS adopted on July 24 a program to implement the common external trade policy, which under the terms of the Rome Treaty must be put into force by the end of the transition period.

When by 1970 the program is in full operation, it will mean that tariff negotiations, trade agreements, and general import and export policy will be handled by the Common Market Commission on instructions from the Council of Ministers instead of by the national governments of the six member countries.

It should also aid in the liberalization of world trade—a Community objective set forth in the Treaty.

Action on Imports

The program establishes a common import policy defining the trading relationship of “third countries” with the European Community. The object of the common policy is to remove differences in the present bilateral arrangements between the member countries of the Community and third countries and thus to make it possible for Community negotiations to be conducted by the Common Market Commission. (The Commission has already acted on behalf of the Community in the recently concluded GATT negotiations.)

The import policy envisaged in the program distinguishes between trade relations with countries which are members of the GATT (or with countries with trade policies similar to those of GATT) and relations with countries in which all industries are state-owned. The program does not cover oil imports, which come under the common energy policy now being considered by the six member governments of the Communities; and progress in the introduction of the common agricultural policy will be taken as a yardstick for the process of liberalizing farm produce.

The Aim: Complete Liberalization

The Community has declared that it ultimately seeks complete liberalization of its trade with all member countries of GATT. However, before this can be done, the Community must first bring into line the different lists of products which now enter the member states without quota restrictions.

During the transition period, which lasts until 1970, the first aim of the Council's plan will be to standardize these product lists at the most liberal level possible. When the Council agrees, upon recommendation by the Commission, that sufficient standardization has been achieved, it will establish a common list of liberated imports.

Eliminating Discrimination Against Dollar Goods

The Common Market first intends to remove the few remaining discriminations against imports of dollar goods from the United States and Canada. The Community will then gradually work toward elimination of all differences in its treatment of imports from its trading partners in GATT.

The program calls for a detailed study by the Commission of the Community's import trade; this study will also provide pointers for solving the problems raised by imports of goods from countries with abnormally low production-costs. At the same time the study will be used to prepare

Community measures against dumping of goods by non-member countries and against goods whose prices are artificially lowered by subsidies; at present such measures differ in each of the six countries of the Community.

For imports from countries which do not apply GATT principles and have state-trading systems (this includes all countries in the Communist bloc and some others), quotas will be maintained. The Community will seek to establish a common quota policy for products from these countries, taking into account present bilateral import arrangements. In coordinating their trade policies in relation to the Communist countries, the member states will use the consultation procedure established by the Council in October 1961. In negotiations with these countries, as with others, the Community will eventually act as a single unit.

Common Export Policy To Be Followed

For exports, as for imports, the Community will introduce by stages a common policy for all six countries. The object of this policy is to ensure full competition between Community exporters, which is at present frequently distorted by the six governments' differing export aids. The common policy, to be based on studies of these aids carried out by the Common Market Commission, will coordinate the six systems into one.

Export policy will also take into account the trade policies of third countries and the requirements of the Community's common agricultural policy. At the same time restrictions on Community exports will be progressively eliminated, and a mechanism for applying common export quotas for goods urgently required in the Community will be gradually introduced. Proposed amendments to national exports regulations will be subject to the consultation procedure established in October 1961.

Export promotion efforts will also be coordinated, and the program requires increased cooperation between trades councils and government departments in the six countries. The Commission has been asked to study means of introducing common services for helping exporters throughout the Community.

By 1970 imports and exports of the Six will be handled on the Community level instead of by the national governments.



ORGANIZATION OF WORLD PRODUCE MARKETS URGED

EDGAR PISANI, France's Minister of Agriculture, has urged a world conference to discuss the organization of agricultural produce markets. Addressing the Common Market's Council of Ministers on June 29 during a session on the common agricultural policy, he said that such a conference could achieve:

- Establishment of a system of commodity aid for countries where there is a real shortage of food. This would enable the advanced countries of the West both to fulfill their moral obligations and to dispose of their surplus agricultural produce.
- Faster progress for underdeveloped countries.
- Reconciliation of the interests of Commonwealth agricultural producers with Britain's membership in the Common Market.

New Definition of World Market

According to M. Pisani, what are now called world markets are in fact only markets in "surpluses" left over after the producer countries have satisfied their domestic needs, and the world prices bear no relation either to home prices or to costs of production.

For example, he said, only 15 per cent of world wheat production found its way to the so-called world market; it was then sold, on average, for 70 per cent of its production cost. In the case of sugar, the world market handled only 12 per cent of production at prices averaging 60 per cent below cost.

This system, M. Pisani said, helps those countries which have let their agriculture decline or have failed to develop it. It "subsidizes" countries such as Great Britain, which has a relatively small agricultural economy, and Russia, which is in the throes of its seventh attempt at agrarian reform. The Soviet Union, he said, can buy on the world market at prices it cannot achieve itself.

Similarly, according to M. Pisani, the present system results in "the pauperization of agriculture" and helps to perpetuate the gap between rich and poor countries: Only the rich countries can ensure the continued development of their agriculture by subsidizing exports to make up for unremunerative prices on world markets.

More Food for More People

The French Agriculture Minister said that, although he had spoken of "surpluses," in fact the world's population is rising by 45 million people a year, while world agricultural production is rising at a rate sufficient to feed only an additional 35 million a year. "When the world is hungry," he said, "we have come up with a system which results in diminishing the production of food in the world."

M. Pisani recommended that aid in the form of agricultural produce be administered so that it would serve as a long-range benefit to the recipient countries. Food products could be given, or sold at advantageous prices, as a counterpart to progressive internal efforts on the part of the recipient countries; other measures should be considered to develop internal markets and increase national revenues of such countries.

The Commonwealth Problem

"Britain comes with her problems, and we must help her solve them," French Agriculture Minister Edgar Pisani said. "If the Six cannot guarantee comparable outlets for Commonwealth products, can we not develop a system which will give Commonwealth exporters comparable returns?" Both the Six and Britain should examine the possibility of expanding world trade in agricultural products through a better organization of world markets, he said.

The proposed world conference, which would include representatives of producer countries, solvent importer countries, and countries which do not import as much as they need because they cannot afford to do so, would tackle the following problems:

- Preparation of permanent inventories of world production and consumption, world markets, and of the various means whereby exporters are subsidized by their governments.
- A study of price levels for agricultural products and the effects of higher prices.
- The financing of joint action out of additional funds resulting from higher world prices.
- Mobilization and use of resources in the framework of a world market organization.

M. Pisani said he believed that if these problems were solved and the three aims of his proposal achieved, farmers the world over would be able to produce freely to the limits of their resources and receive a fair return for their efforts.



French Agriculture Minister Edgar Pisani



Council President Antonio Venturini and Ambassador Constantin Tranos of Greece exchanged instruments of ratification of the Agreement of Association between Greece and the Common Market on August 24. After the Greek request for association on June 8, 1959, formal negotiations began in March 1960, and the agreement was signed in Athens on July 9, 1961. Now that the parliaments of the Six and of Greece have ratified it, the association agreement will enter into force on November 1.

EEC MAINTAINS PRODUCTION RATE

THE RATE OF ECONOMIC GROWTH in the European Economic Community increased slightly in the first quarter of 1962, according to the quarterly survey "The Economic Situation in the Community" published in July by the EEC Commission.

Industrial production in the first quarter of 1962 rose by 5.5 per cent, as compared with 6.5 per cent in the first quarter of 1961. March figures were only average because of climatic and statistical factors. In April, however, there were signs of appreciable improvement. Although the expansion cannot now be termed vigorous, industrial production for 1962 as a whole may be expected to show an annual growth rate of 5.5-6 per cent; the Community's gross national product is likely to rise by 4.5-5 per cent. (The increase in the Community's growth rate in 1961 over 1960 was 6 per cent, in its GNP 5 per cent.)

Deficit In Trade Balance

In the first quarter of 1962 imports again rose more rapidly than exports, bringing about a further imbalance in the Community's trade. After adjustment to allow for the influence of purely statistical factors governing import figures, the deficit in the Community's trade balance came to \$275 million, compared with \$133 million in the first quarter of 1961. Since March, however, there have been signs of a slight improvement.

Despite the deficit in the trade balance and further public exports of capital, particularly in the form of advance debt repayments, the Community's balance of payments continued to show a considerable surplus. Gold and foreign exchange reserves held by the official monetary institutions in the member countries fell by \$300 million in the first quarter of 1962, but the position of the net foreign holdings of the commercial banks considerably improved.

Prosperity at Home

Internal demand in the Community continued to grow, and private consumption showed a distinct increase in the early months of the year. This was chiefly because of the steady rise in wage incomes, resulting from increased wage rates.

Despite the fears expressed at the turn of the year, the trend toward a decrease in total fixed investment expenses no longer prevailed, except for the fact that the building sector was adversely affected by exceptionally bad weather in February and March. The trend in stock investment showed encouraging signs, at least in semi-finished products.

Employment and Prices Up

The development of production was determined generally by demand. In a number of industrial sectors, however, expansion continued to be limited by manpower shortages. The number of unemployed has continued to decline in most member countries. The number of employed has again risen slightly; however, with a further reduction in working hours, especially in the German Federal Republic, the number of hours worked did not increase commensurately.

The price rises which have continued in the Community for some time did not slacken during the early months of 1962, and price increases on some food products, due largely to weather conditions and harvests, heightened the rise in consumer prices.

Promising Outlook at Mid-1962

The reports says that the outlook for the second half of 1962 suggests that general economic growth will continue. The rise in Community exports to non-member countries may increase slightly, and the expansion of internal demand should continue. Generally speaking, fixed investments are expected to continue to increase, but the rate of growth will probably continue to be slight in some member countries. The expansion of private consumption will continue to be vigorous, although a certain slackening may be expected in the rate of wage increase in some countries.

In order that the growth rate may be assured and expansion may continue in 1963, investments must continue to rise, the report says. It states that it is the Commission's view that as a first priority the authorities responsible for business cycle policy should seek to prevent a too pronounced slowing down in this field. To achieve this aim, the Commission suggests that there should be not only measures to combat rising costs but also a policy seeking to encourage workers' savings and other steps to improve the availability and terms of loans on the capital markets, thus facilitating financing of investments.

HA Rehabilitates Belgian Coal Industry

The High Authority of the European Coal and Steel Community recently made the first moves to end the isolation of the Belgian coal industry.

The isolation measure—quotas on imports of coal into Belgium from Community as well as non-Community countries—was introduced in 1958 to protect the Belgian coal industry from the coal crisis which started that year. Since then, the High Authority and the Belgian Government have cooperated in closing down uneconomic pits. Continued protection has substantially reduced pit-head stocks, but it is also providing what the High Authority considers may be encouragement to keep uneconomic mines in operation.

The High Authority therefore decided that, as of August 1, imports into Belgium from Community countries of anthracite, low-volatile coals, and anthracite or similar briquettes should be completely freed. Quotas for imports of other types of coal and export quotas for Belgian coal to Community countries were increased by 10 per cent.

Belgium is closing down 500,000 tons of capacity between July and December of this year. The High Authority has already provided readaptation funds for the miners involved. The High Authority has also asked the Belgian Government to prepare further proposals for the rationalization of the Belgian coal industry to be considered by the ECSC Council of Ministers early next year.

Midi miners from \$850,000 to \$1 million, which will be matched by the French Government.

Readaptation for Other Areas

During June and July the High Authority approved readaptation projects covering more than 7,200 workers, of whom approximately 4,300 were German, 2,200 French and 700 Belgian. For these projects the High Authority allocated about 4.2 million marks (\$1,050,000), 7.7 million NF (\$1,540,000) and 8 million Belgian francs (\$160,000).

The largest single group to be included in the latest readaptation plans are 2,040 miners in the Aquitaine and Cevennes districts of France, where the High Authority and the French Government will together provide improved benefits similar to those recently granted for the Centre-Midi miners. Closures in these regions began this year and will continue into 1964.

European Juridical Institute Opened

The Institute of European Juridical Studies will be inaugurated on October 1 this year at Liège, Belgium, under the auspices of the University of Liège. It will be the first institution to be devoted entirely to international European law. Applicants must hold a diploma from a law faculty; foreigners will be eligible.

"It will have as its aim," said Rector Dubuisson of the University of Liège, "the intensive study of a body of law whose existence is affirmed each day by the action of the institutions with which free Europe has had the wisdom to invest itself. This law is a part of public international law, but it has specific characteristics which justify its autonomous study."

EEC Sets Deadline on Free Movement of Citizens

January 1, 1964, has been chosen by the Common Market Commission as the deadline for abolishing restrictions on the movement and residence of citizens of the member countries within the Community, as related to establishment and the supply of services.

The 1964 date was given in a draft directive submitted to the Council of Ministers in July by the Commission. The cut-off date was established in the draft directive at the request of the six member states of the Community in order to eliminate constant revision of their legislation on entry and residence.

If the Council approves the measure, the governments of the six member states will have to put into effect before January 1, 1964, new legislative and administrative provisions on entry and residence to permit nationals of member states to establish themselves and to supply service in any Community country. National regulations applying to foreign workers, both self-employed persons and wage-earners, would be coordinated in the six countries.

These steps are being considered in accordance with the Rome Treaty's provisions to abolish restrictions on the supply of services and permit freedom of establishment throughout the Community.

Miners who have lost their mines because of the decline of coal get tide-over aid through Community's readaptation measures.

ECSC READAPTATION BENEFITS

NEW RESETTLEMENT AND RE-EMPLOYMENT BENEFITS have been authorized for miners in the European Community by the High Authority of the European Coal and Steel Community.

The measures became necessary because the closing of mines unable to compete with more economic producers, both inside and outside the Community, has meant the loss of many miners' jobs. In recent months ECSC has approved readaptation benefits for coal and iron-ore miners principally in France, Germany, and Belgium.

Centre-Midi Benefits Approved

At the request of the French Government, the High Authority agreed on June 29 to grant improved re-employment and resettlement benefits to miners in the Centre-Midi coal fields in France.

Centre-Midi miners will now receive readaptation aid for a period of two years, instead of one, after the date of loss of employment. The miners will thus be entitled to tide-over allowances between jobs for two years, if necessary. Moreover, the ceiling in allowances, which are graded according to wages previously earned, goes up to 1,000 new francs (NF) per month (roughly \$200) from 750 NF (\$150) previously. These allowances give the worker 90 per cent of previous earnings for the first two months and are scaled down gradually after that in six-month and four-month stages.

The High Authority will also extend to two years the period in which it makes up the pay of Centre-Midi miners in new jobs to 100 per cent of the old wages. In addition to these benefits, the High Authority will award to miners with more than 10 years' service special compensation bonuses, graded according to length of service.

To carry out these new readaptation plans, the High Authority has increased the funds set aside for the Centre-

PROGRESS AT ISPRA Euratom's Largest Research Center

SOME 30 MILES NORTHWEST OF MILAN, between Lake Maggiore and the Alps, is a widely scattered group of buildings topped by a tall, smokeless, red and white chimney. This is Ispra, Euratom's Joint Research Center, which has now been in operation for nearly two years.

The arrival in September 1960 of the first Euratom staff members marked the beginning of the first stage of Euratom's takeover of Ispra—formerly an Italian atomic research establishment. The move will be completed in February 1963, and today 1,100 of the proposed 1,250 Euratom personnel are already in residence.

Ispra is in fact Euratom's largest atomic research establishment. Although leased to the Community at a dollar a year for 99 years, the installation of equipment and operating expenses will have cost the Community \$40 million by the end of 1962. Ispra is a "general purpose research establishment," which means that facilities are available for a wide range of research activities. For the present, the ORGEL project is the primary one.

ORGEL Is New

In ORGEL, Euratom is designing a new type of reactor, moderated with heavy water and cooled with an organic liquid. Preliminary work suggests that ORGEL may be a low-cost producer of power. (Heavy water moderated and cooled reactors are already being built as power producers in Canada.)

This major experiment is now moving from the theoretical to the practical stage with the construction at Ispra of the ECO critical assembly, which permits a fissile chain reaction without any appreciable power output. ECO, which is due to come into operation in July 1963, will be used for practical studies of the physics of an ORGEL-type reactor or of other reactors of the heavy water family. The next stage will be the construction of a full-scale test reactor, and

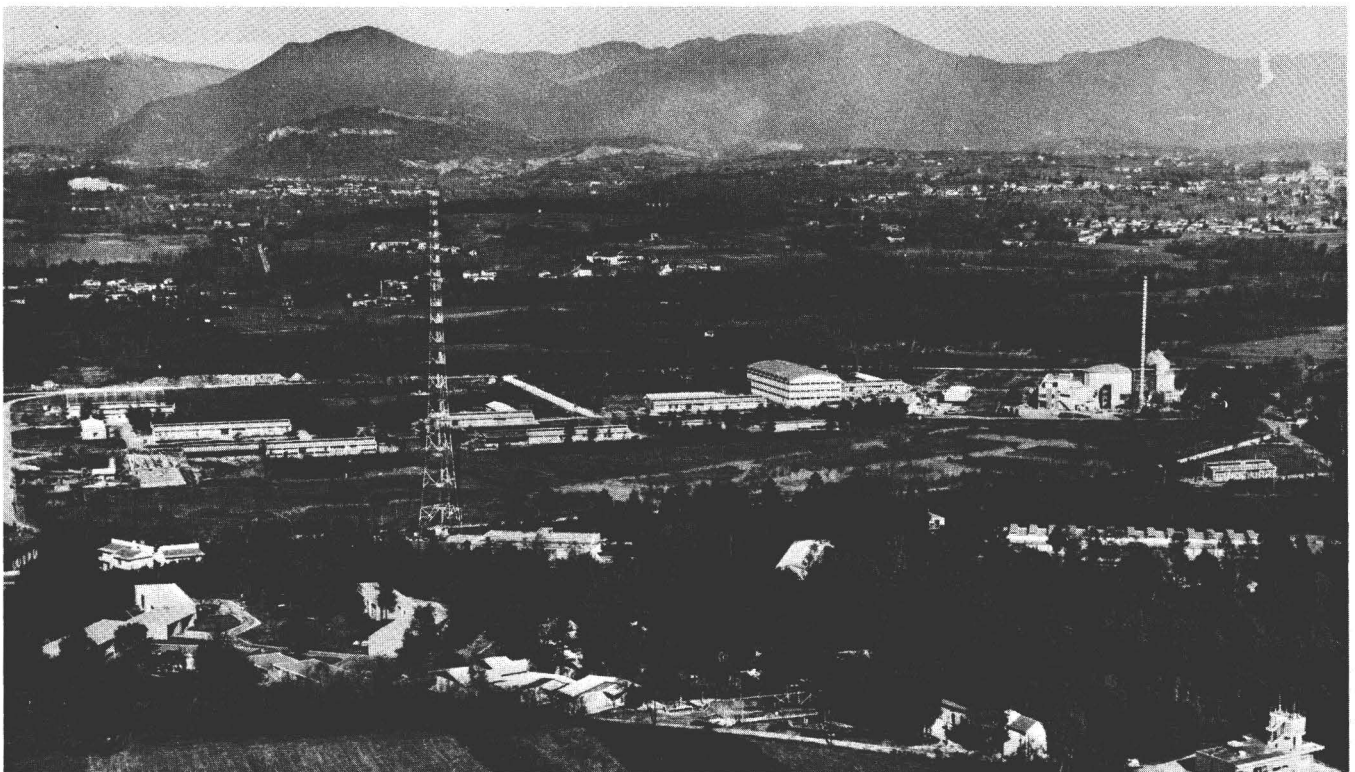
Ispra scientists are now at work on design studies for ESSOR (*essai ORGEL*). Construction of ESSOR will probably start next year.

A major reactor experiment such as ORGEL requires the services of a great many specialists not directly concerned with the design, construction, and operation of reactors. Two such groups are the Reactor Physics and Materials Departments; these have access to the Ispra-I research reactor, which they will operate from March 1963. This 5 MW enriched uranium reactor has been likened to a lump of *gruyère* cheese, the holes accommodating irradiation experiments of various kinds. The Reactor Physics Department concentrates on such problems as finding out what nuclear fuels can best provide a chain reaction in a given reactor and the development of appropriate electronic equipment for automation in reactors. The Materials Department is working, among other things, on the make-up of fuel elements for ECO and on the study of the physico-chemistry of nuclear materials.

Most Laboratories Equipped

Some of Ispra's laboratories have now received all or most of their equipment; others, such as the "hot" laboratories for the study of irradiated materials, will come into operation later in the year.

One of the Ispra scientific services is not only equipped, but has tangible achievements to show for itself. This is the CETIS Scientific Information Processing Center. Equipped with six electronic machines worth nearly \$4 million, this center is one of the most advanced in the world. The equipment includes an IBM 1401 and an IBM 7090 ordinator. The latter can make 229,000 additions or 39,000 multiplications per second, each of eight figures. Apart from long and complicated calculations, this machine can undertake grammatical analysis at a speed of one second per phrase and has been harnessed to make auto-



matic English translations of Russian texts. Another ordinator, the IBM 1401, is used for automatic documentation, providing lists of references on any nuclear topic suggested.

These computers, in particular the IBM 1401, are not only used for Ispra's needs but also serve the Documentation Center at Euratom's Brussels headquarters and other research centers in the Community. The aim: a European documentation network.

Already the linguistic achievements of CETIS lead the field in Europe and are equal to anything achieved in the United States. This is only a beginning, however, for while the IBM 7090 is a "third generation" computer, plans are

being laid for the installation of "fourth generation" equipment, whose functions will include simultaneous translations between all four Community languages, in addition to English.

Ispra is a truly international Community. The number of staff from each member country follows very closely the contributions to Euratom's research budget: 27.5 per cent from Italy, 27 per cent from Germany, 23 per cent from France, 13.5 per cent from Belgium, 7 per cent from Holland, and 1 per cent from Luxembourg. A number of specialists from Great Britain and other non-member countries have also been recruited.

Newsbriefs

Common Market
Euratom
Coal & Steel Community

Gatt Negotiations Concluded

The Geneva Tariff Conference held by the contracting parties to the General Agreement on Tariffs and Trade (GATT) concluded on July 16, producing total tariff cuts on world trade worth \$4.9 billion.

The negotiations were the first world-wide tariff talks in which the Common Market has participated as a unit.

Among the agreements reached with the Community were:

- Concessions on exports worth nearly \$150 million from Switzerland, in return for concessions on imports of the same value from the Community: This was the most important agreement reached in the "Dillon round" following those which the Community concluded with the United States and Britain (see *Bulletin* No. 54, p. 5).
- Community concessions on exports valued at \$89 million from Canada: Canadian tariffs will not be cut, as the Community concessions were made in compensation for Canadian trading rights which will be affected by the Community's Common External Tariff. The Community has also agreed to negotiate terms on Canadian wheat exports, worth \$43 million last year.
- Concessions on Australian exports worth more than \$284 million: These agreements, like those with Canada, were to compensate for the application of the Community's Common External Tariff, and Australia did not grant the community reciprocal concessions.
- Concessions on exports from Japan worth nearly \$7 million in 1958: In return, Japan granted concessions on Community exports valued at almost \$5 million.
- A small reduction in the external tariff on aluminum (a key item for which Britain would like nil tariffs if she joins the Community).

Further tariff agreements were signed between the Community and Chile, Haiti, New Zealand, and Peru. Under the terms of the GATT, all the concessions made to one country become available to all other GATT members. Some negotiations undertaken during the conference are continuing despite the signing of the final act on July 16 and will be included in a supplementary protocol.

Monnet to Receive Freedom Award

Jean Monnet, chairman of the Action Committee for the United States of Europe, one of the creators of the European Community, and first president of the Coal and Steel Community, will be the recipient of the 1962 Freedom Award.

At a dinner in his honor in New York on January 23, M. Monnet will be presented with a plaque inscribed to: "A statesman of vision who widened the horizons of free world unity."

Freedom House, an educational service organization founded in 1941, presents an annual award for an outstanding contribution to the strengthening of free society. Previous recipients have included General Dwight D. Eisenhower, Secretary of State George C. Marshall, Sir Winston Churchill, Alan Paton, and Dr. Paul-Henri Spaak.

President Hallstein Sees ILO Chief

Professor Walter Hallstein, president of the Common Market Commission, met with David Morse, director-general of the International Labor Office, at EEC headquarters July 13. Mr. Morse also saw EEC Commissioners Jean Rey and Lionello Levi Sandri.

Relations between the European Economic Community and the ILO are governed by an agreement signed in Geneva on July 7, 1958, providing for reciprocal consultation and cooperation between the two organizations. Under the agreement regular consultation is held on matters of common concern in social and labor spheres.

Euratom-U.S. Board Ready for New Bids

The Joint Research and Development Board established by the European Atomic Energy Community and the U. S. Atomic Energy Commission announced on July 3 that it

NEW BOOK

UNITED EUROPE:

CHALLENGE AND OPPORTUNITY by

Walter Hallstein, President of the Commission of the European Economic Community (published by Harvard University Press, Cambridge, 109 pp., \$2.75) contains the three William L. Clayton lectures given by President Hallstein at the Fletcher School of Law and Diplomacy, Tufts University, in April 1962.

was prepared to receive research tenders from American or European groups to participate in work on the following projects:

- the boiling-water power reactor to be built by the Società Elettronucleare Nazionale (SENN) at Punta Fiume, Italy;
- general research on pressurized-water reactors;
- the pressurized-water reactor to be built by the Société Franco-Belge Nucléaire des Ardennes (SENA) at Chooz, near Givet on the Franco-Belgian border.

The Joint Research and Development Board is concerned with improving the performance and reducing the operating costs of reactors being constructed under the joint Euratom-U.S. program. This program, which began operation in November 1958, provides for general co-operation in the peaceful uses of atomic energy.

Euratom-Argentina Agreement Signed

A cooperation agreement between the European Atomic Energy Community and the Government of the Republic of Argentina was signed on September 4 in Buenos Aires.

The 20-year agreement provides that the two parties undertake mutual aid and assistance in the development of nuclear energy for peaceful purposes. The agreement provides in particular for cooperation in exchange of information, students, technicians, instructors, and the supply of nuclear materials. Commission Vice President Enrico Medi and Commissioner Emanuel Sassen were Euratom representatives at the signing.

EEC Ministers Discuss U.S. Trade Proposals

The finance ministers of the six Community countries met at Echternach in Luxembourg on July 9 and 10 to discuss a report by Robert Marjolin, vice president of the Common Market Commission, on President Kennedy's trade proposals contained in the Trade Expansion Act of 1962.

The meeting, under the presidency of Pierre Werner, premier and finance minister of Luxembourg, also discussed a report by Hans von der Groeben, a member of the Commission, on the progress being made toward fiscal unity in the Community. Emile van Lennep, president of the Common Market's Monetary Committee, presented a paper on interest policy and its influence on international financial relations.

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