



# Bulletin from the EUROPEAN COMMUNITY

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## COMMISSION REPORTS ON UK NEGOTIATIONS

THE COMMON MARKET COMMISSION on March 5 published its report on the negotiations between Great Britain and the Community, prepared in response to a request by the European Parliament.

The Commission's 124-page document contains a complete history of the negotiations, with a balance sheet of issues on which agreement had been reached and those on which solutions still had to be found when the negotiations were broken off on January 29.

### External tariffs

At the time the negotiations were interrupted, the question of the general level of a common external tariff for the enlarged Community had not been finally settled, the report stated. Britain had reserved the right to examine, at the end of the negotiations, whether the over-all level was appropriate for the larger Community or whether in its opinion further downward adjustments would be required. Apart from this, Britain had requested zero tariffs for 26 industrial products. For 10 of these, agreement had been reached, the report said. The remaining 16 items contained four of major importance—newsprint, aluminum, lead, and zinc.

### Commonwealth problems

**Canada, Australia, New Zealand:** A solution for the industrial exports of these countries had been found. Solutions for all but three processed agricultural products were also in sight, the report stated.

**India, Pakistan, Ceylon:** It had been agreed that the enlarged Community would conclude generous trade agreements with these countries. In the period before these agreements came into effect, there was to be a guarantee that cotton goods from these countries could still be sold on the British market under present conditions, while the European textile industry would be protected. Arrangements had also been agreed for jute and several other

industrial products, and the duty on tea was to be abolished. However, the report added, a number of tariff questions of particular interest to these countries still had to be settled.

**African and Caribbean Countries:** The negotiators had agreed that the Community's new association convention could be extended to Commonwealth countries in these areas. The independent Commonwealth countries which did not wish to become associates of the Common Market were to be helped by the conclusion of normal trade agreements and transitional measures.

**Other Commonwealth Areas:** Agreement had also been reached on a number of other Commonwealth problems, the report said. These included the questions of Malta, Cyprus, Aden, and Malaya. The particular problems of Rhodesia, Nyasaland, and Hong Kong and the question of preference to be afforded U. K. exports by Commonwealth countries still remained unsolved.

### Temperate foodstuffs

A large measure of agreement was reached on the basic principles of the solutions for Commonwealth exports of temperate-zone foodstuffs, the report stated. These prin-

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*The Common Market Commission: (seated, left to right) Vice President Giuseppe Caron, President Walter Hallstein, Vice President Sizzo Mansholt, Vice President Robert Marjolin; (standing, left to right) Commissioners Lambert Schaus, Lionello Levi Sandri, Hans von der Groeben, Jean Rey, Henri Rochereau.*

principles were based on proposals by the Commission for long-term solutions and transitional measures, particularly for grains. Nevertheless, a number of questions remained unsolved, and in the long term the main problem was the price policy of the enlarged Community.

The Commission stated that the Community had already, on many occasions, expressed its intention of taking full account of its external responsibilities. To reach a long-term solution, it was agreed that the enlarged Community would take the initiative in calling an international conference of importing and exporting countries, with the aim of reaching world agreements for grains, meat, dairy products, and sugar. This conference would have been held with the minimum delay—if possible, in 1963. Until the establishment of world agreements, transitional measures for the Commonwealth had been agreed in principle to cushion the effects of the common agricultural policy on these countries, according to the report.

On the subject of New Zealand's particular dependence on the British market, the Commission said that the problem remained completely open at the time the negotiations were suspended. Nevertheless, the Commission believes "that the exceptional situation of New Zealand could have been recognized as far as butter was concerned."

### **British agriculture**

In accordance with the Community's common agricultural policy, it had been agreed that the Commission should carry out an annual review of agriculture in the enlarged Community. Should this show that the trend of farm incomes in any part of the Community was not in line with the aims of the Treaty, the Commission would suggest remedial measures. Other than this, no agreement had been reached on the problem of British agriculture, the report stated. The Commission did, however, suggest in the report the lines on which it believes solutions to a number of outstanding problems could have been sought had the negotiations continued.

### **Economic union**

Britain had declared itself able to accept existing Community policy in this field, subject to further study of three special issues: the rules of competition as applied to agriculture, the special position of Northern Ireland in

connection with the free movement of workers, and the timetable for establishing equal pay for men and women in the United Kingdom.

Institutional, legal, and financial problems did not give rise to any major problems as far as British membership was concerned, the Commission stated, but problems could have arisen in connection with the applications of other European countries.

### **EFTA**

The major problem of Britain's relations with the European Free Trade Association was merely touched upon in the negotiations, the report said. It had been agreed, however, that the question of the U. K.'s tariff arrangements with these countries would have to be solved before a final decision on Britain's application could be reached. How this could be done was not yet clear, the report stated. In the British view, membership in the Community was tied to satisfactory solutions for the other EFTA countries. This might have meant considerable delay before the British membership became a fact, the Commission said.

### **Special difficulties**

According to the Commission's conclusions, three special difficulties were encountered in the negotiations:

- The method adopted in the negotiations tended to place on the same level questions of widely different importance. The disadvantage of this technique was that it could obscure the relative significance of the problems raised.

"Many of the issues which remained to be solved may be described as of minor consequence," the report said. "In the tariff field particularly, the tactical maneuvering which accompanies all negotiations had certainly in many cases delayed the settlement of problems for which there was no reason to believe that a solution was impossible . . ."

In the Commission's opinion, the report said, the

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normal provisions of the Treaty and the decision-making powers of Community institutions could generally have been accepted as providing the means of reaching a reasonable solution of many points which stemmed from minor or quite special economic problems.

"On the other hand," the report added, "it is important not to minimize some questions which were still unanswered. . . . With regard to temperate foodstuffs from the Commonwealth, although a solution had been put forward for grains, its extension to other products might have raised difficulties. . . . Again, even though some measure of agreement had been reached regarding the final period for British agriculture, it would be wrong to underestimate the importance for the Community of effective transitional arrangements ensuring the gradual integration of the economies of the member countries."

• The British application involved not only an obligation to accept the Rome Treaty but also the progress which the Community had made since the Treaty was signed. It was on these advances that the negotiators often found the greatest difficulty.

• The Community is still in the development stage, and solutions had therefore sometimes to be found not in terms of the present position, but in terms of probable future progress. In some fields the provisions of the Rome Treaty had been left deliberately vague, and in many of

these the Six had not yet agreed on a common position among themselves. In this context the Commission referred to the difficulties concerning the financial regulations of the agricultural policy, where the negotiations with Britain had "re-opened among the Six themselves the difficulties of interpretation which they had not yet succeeded in overcoming. . . ."

The fact that implementation of certain aspects of the Treaty was in an intermediary phase increased the difficulties for the negotiators, the report said. The problem was to reconcile with Community arrangements the action needed to adjust the British system, while paying due heed both to Great Britain's vital interests and to a Community system which itself lay largely in the future.

"In many cases the right solutions could only be those which anticipated the future progress of the Community," the report concluded. "The negotiations with the United Kingdom, because they brought these problems to the fore . . . compelled the Community to come to grips with them sooner than it would otherwise have done. . . . Because of the United Kingdom's almost world-wide responsibilities, the questions raised . . . also made it vital for the Community to define without delay the main lines of policy for an enlarged Common Market on subjects which . . . would have a direct and crucial effect on the over-all balance of the free world."

## Parliament's Resolutions

*The European Parliament, meeting in Strasbourg February 5-6, adopted two resolutions:*

### I. (passed unanimously, Gaullists abstaining)

The Parliament:

Stresses that the final aim of European integration is the creation of a United States of Europe, a supra-national economic and political Community based on equality of rights for member countries and possessing its own institutions independent of member Governments;

Believes that only such a Europe, within an Atlantic Partnership and in equality with the United States, will be able to fulfill the role which is required of it for the defense of the free world and for the maintenance of peace and general economic progress;

Recalls that in a number of resolutions the Parliament has supported British membership and that of other countries, providing that such membership does not compromise the process of integration and that the Treaties of Rome and Paris are not endangered, either in terms of their rules or their institutional structure;

Expresses its grave concern at the unilateral rupture of the negotiations between the Six and the British Government, and asks the Council of Ministers to ensure that the conference responsible for examining the problems of accession holds regular meetings, so that the entry of new members, particularly the United Kingdom, may be facilitated;

Approves President Hallstein's declaration to Parliament;

Undertakes to do everything in its power to help the

Community achieve the aims of the Commission's action program of October 24, 1962, within the time limits laid down by the Commission.

### II. (passed unanimously, Gaullists abstaining)

The Parliament:

Asks the Common Market Commission to prepare a report on the stage reached by the negotiations between Great Britain and the six Common Market countries on January 29, 1963;

Asks the Commission, in the report, to deal as much with the issues on which agreement had already been obtained as those for which solutions still had to be found;

Asks the Commission to present its report within three weeks so that the Parliament may discuss it at its session in March.

\* \* \*

*A motion failed to pass in which the Parliament would have:*

1) solemnly protested against the method of provoking the break in negotiations, "which essentially had nothing to do with the problems under discussion"; and

2) rejected as contrary to European security any effort, bilateral or otherwise, aiming at or resulting in the weakening of Community mechanisms, and those organizing the hegemony of a state or group of states.

*The voting was even: 38 for, 38 against.*

# HALLSTEIN VISITS U.S., REAFFIRMS ATLANTIC PARTNERSHIP

## Predicts Great Britain Will Eventually Enter Community

PROFESSOR WALTER HALLSTEIN, President of the Common Market Commission, on a visit to the United States February 28-March 5, reaffirmed Community support of an Atlantic Partnership "that is the sole guarantee of our own continued freedom and the world's continued peace" and declared that British membership remains the long-term aim.

President Hallstein met with President Kennedy at the White House on Monday, March 4.

On the same date, his one full day in Washington, he had lunch at the State Department with Secretary of State Dean Rusk and other officials concerned with Atlantic affairs.

Other appointments on President Hallstein's March 4 schedule were with Under Secretary of State George Ball, Chief Tariff Negotiator Christian Herter, Secretary of Agriculture Orville Freeman, and Assistant Secretary of State William Tyler. He met and dined at the Embassy of Luxem-

united Europe, should it be a so-called 'third force'? Should it be integrated—some would say 'dissolved'—into a so-called 'Atlantic Community'? Or should it form with the United States and others a so-called 'Atlantic Partnership'?"

"If by a 'third force' is meant a force outside the Western Alliance, seeking to perform a balancing-act between the world's great power blocs," President Hallstein said, "then it is true to say that none of the present member governments of the European Community has publicly endorsed such a policy. Indeed, according to a recent public opinion poll in the six countries, the vast majority of their citizens overwhelmingly reject this notion. So do I."

President Hallstein indicated that he considered an "Atlantic Community" too ambitious an undertaking at present. The concept of a 'Community' on a federal pattern similar in aims and structure to the European Community, he said, involves "the pooling of sovereignty in innumerable

### 'A process of continuous creation . . .'

"The European Community is not something static, or something ready-made; it is a process of continuous creation . . . a policy, an endless series of questions and answers, of continual challenges and responses. . . ."

"There are still a number of questions on which a national veto remains possible. Of course, a number of others are already subject to majority voting, and more and more will become so as we progress. Thus, for example, from 1966 onwards, no single member state will be able to veto tariff reductions negotiated with the rest of the world.

"But some questions—and the admission of new members to the Community is among them—will always require unanimity. On these questions there will always be the legal possibility of a national veto. [Yet the Community members] acknowledge a shared responsibility for their problems [which] still exists even where unanimity is the rule and where a veto is technically possible. . . . The Community is the very negation of hegemony, of domination by a single power, or indeed of any such form of nationalist politics. The constitution of the Community, indeed, is the organized and methodical rebuttal of hegemony: it is the contradiction of the old system of coalitions used as the instrument of national policy.

"Indeed, it is no coincidence that the reaction of recent weeks has been sharpest in the smaller countries of the Community; it is they who have, perhaps, the greatest reason to see in the Community system their guarantee of a fair share in the discussion and shaping of the Community's destiny. Here too, recent events have helped to make plain the difference between Community politics and the politics of the past."—*President Hallstein at Columbia University March 2.*



After his visit with President Kennedy, President Hallstein told reporters that he was "in perfect agreement" with the Administration: "We should go ahead with the concept of trade partnership."

bourg with representatives of the EEC member countries and Washington officials, including Senator J. W. Fulbright, Foreign Relations Committee chairman; Theodore Sorensen, the President's special counsel; Walt W. Rostow of the State Department's Policy Planning Council; and U. S. Congressmen.

He also held a press conference, returning to Brussels early the next morning, March 5.

On the previous Saturday President Hallstein gave an address in New York at Columbia University's observance of its fifth annual Dean's Day. He emphasized there that the first step toward Atlantic Partnership is to "press ahead with the tariff negotiations made possible by the Trade Expansion Act—the so-called 'Kennedy Round.'"

### Three Choices Possible

President Hallstein named three possible choices for future European development. "Put crudely," he said, "the issue resolves itself into the following dilemma. Given a fully

detailed, intimate matters of a whole society's life. . . . So far as one can now see, there is no evidence that such a process is yet conceivable on an Atlantic scale."

Atlantic Partnership, he declared, "is, as I understand it, the choice not only of Europeans but also of the American Government."

Partnership, he said, "seeks to put in place of a system which harnesses one giant with a number of comparative dwarfs a new system which joins in partnership—in consultation and competition too—twin units which today are already comparable and which one day will be equal. If, in time, this should ultimately make possible an 'Atlantic Community,' that would be a further question to consider. But for the foreseeable future, partnership remains our ideal."

### 'Kennedy Round' May Solve Some Problems

President Hallstein indicated that he hoped for good results from the forthcoming 'Kennedy round' of tariff negotiations, not only for the U. S. and the Community but for the GATT member countries and the developing countries.

"To pursue a liberal policy," he said, "is more than just a choice for the Community; it is its duty. . . . Although the Kennedy round is no substitute solution for Great Britain, it may help to ease her problems, as well as those of other countries in a similar position. . . . Closely linked to these questions is the problem of world agriculture. Already, in the negotiations with Great Britain, we looked at the possibility of world commodity agreements. . . . How can they be harmonized with our efforts to give economic aid? . . . Here too the emergence of a united Europe



Secretary of State Rusk and other State Department officials conferred with President Hallstein at luncheon March 4.

means the emergence of a partner who should be able to help the United States bear a burden whose weight is known and acknowledged everywhere . . ."

Speaking of the suspension of the British negotiations, President Hallstein said that the progress made in the negotiations may yet prove useful in the future. "There is no need," he stated, "to conclude . . . that future British membership has been proved to be unworkable: far from it." He warned, however, that "it would in my view be nourishing a comfortable illusion to believe that the negotiations with Britain . . . could be taken up again tomorrow." He indicated that for the present it may be desirable to "intensify existing diplomatic contacts between the British Government and the Community institutions."

Within the Community itself President Hallstein called for "the gradual transformation of the old nationalist Europe, the fusion of interests, the creation of solidarity, the end of hegemony." "To these goals," he declared, "there is one route already mapped out. . . . That route is the Treaty of Rome."

## EEC'S First Business Survey Completed

The Common Market Commission has recently published a report on its first business survey, based on monthly data submitted by some 13,000 firms in the Community during 1962.

The monthly survey was inaugurated by the Commission to improve its means of analyzing business trends and to aid in coordinating the short-term economic policies of the Community.

Findings of the first survey, for the period May-October 1962, indicated that seasonally adjusted industrial output should continue to grow at a moderate pace. In capital goods industries which are enjoying boom conditions and have little productive capacity to spare, demand seemed to be falling, stocks of finished products mounting, and the outlook for production less bright. In consumer goods industries, however, an increase in both supply and demand was indicated.

The Commission began to organize its business survey early in 1961, when it contacted private and national organizations which were already conducting business surveys at a national level in the six Community countries. Through these organizations the 1962 business survey was conducted.

### Survey Requires Cooperation of Firms

An organization from each member country except the Netherlands (Dutch businessmen expressed reservations

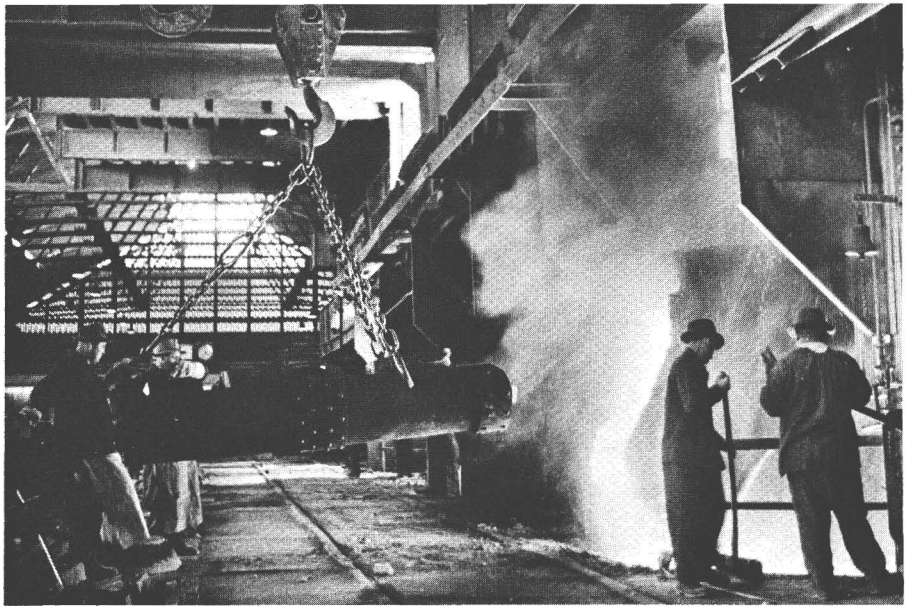
about it) participated in the 1962 Community survey. It was felt that the Netherlands' non-participation would not seriously affect the validity of the results, since the other five member countries account for more than 90 per cent of the Community's industrial output.

Under the survey procedure established, the firms taking part in the survey, all of which do so voluntarily, receive a standard questionnaire each month. The questions cover the status of orders, stock output, sale prices, and other factors. The firms reply by choosing the most appropriate of three possible replies (for example, stock output: up, steady, down). They do not supply figures.

One month later the participating firms receive tabulated results of the survey, giving them data on the status of other firms in the same sector and of industry as a whole throughout the Community.

The recently issued report explains the methods used in conducting the EEC business survey and gives an analysis of the findings, accompanied by graphs. It is available in French (*L'Enquête de Conjoncture auprès des Chefs d'Entreprise de la Communauté, Méthode et Résultats*, \$1.70) at the European Community Information Service, 235 Southern Building, Washington 5, D. C. In future the report will be published every four months. Subscriptions, \$2 yearly, are obtainable at: Services des Publications des Communautés Européennes, Bureau de vente, 2 place de Metz, Luxembourg.

# HIGH AUTHORITY SPURS STEEL EXPANSION



*Steel investment continues to increase in the Community, with firms, such as this one in Luxembourg, operating at capacity.*

LOANS BY THE HIGH AUTHORITY OF THE EUROPEAN COAL AND STEEL COMMUNITY to mines and steel firms in Europe have played an important part in the very large increase in production potential which has taken place during the last 10 years.

Total funds raised by the High Authority and re-lent to industry since 1954 had reached \$373.4 million by the end of October 1962. Capital for these loans (most of which are already in the process of being repaid) was provided from borrowed funds and from the Community's special reserve fund. Since 1954 the High Authority's loans have helped finance investment projects of a total value of about \$1.2 billion, or 13 per cent of total investment in ECSC industries. In addition to these loans, the High Authority guaranteed borrowing by firms from outside sources to a total of \$30 million in the same period.

Applications which the High Authority has been receiving for loans have been many times greater than the funds at its disposal. In making a decision, therefore, the High Authority has considered the economic situation in the six countries individually and in the Community as a whole. It has given priority to the investment programs most closely in line with the Community's *General Objectives for Coal and Steel*, periodical programs based on long-term requirements of the Community issued by the High Authority.

## Where the Money Comes From

The main source of the High Authority's funds is the loans it has raised in money markets of the United States, Switzerland, and the Community. Loans are raised in whichever market the High Authority considers most promising at the time, and the proceeds are re-lent at cost in the original currency. In 1962 the High Authority floated eight loans, to a value of \$70 million. This brought the total of High Authority borrowing to \$344 million since the first loan was floated in 1954.

The High Authority has also provided loans to finance workers' housing out of its special reserve fund, which is largely made up of the interest on its own investments. These loans are supplemented by contributions (of at least double the loan amount) from within the country in which the houses are built. Loans for this purpose carry approximately one per cent interest.

The High Authority's loans to industry, made at par and carrying interest rates varying from 4¾ to 5¾ per cent per annum, representing the Community's own costs, are intended to help expand production in sectors where this is most needed. This aid forms an integral part of the guidance which the High Authority gives to industry through advice to individual firms on their investment plans and through its *General Objectives*.

The imbalance that existed at the start of ECSC in 1952 between the supply of iron ore, pig-iron and scrap, on the one hand, and the Community steel industry's requirements, on the other, has been removed through the High Authority's guidance and assistance. To achieve this, loans were made for the establishment of dressing plants and for the technical improvement and modernization of steel-making processes. Loans have also been granted to aid industrial redevelopment in areas affected by the closure of mines and steelworks.

## Investment Up in Steel, Down in Coal

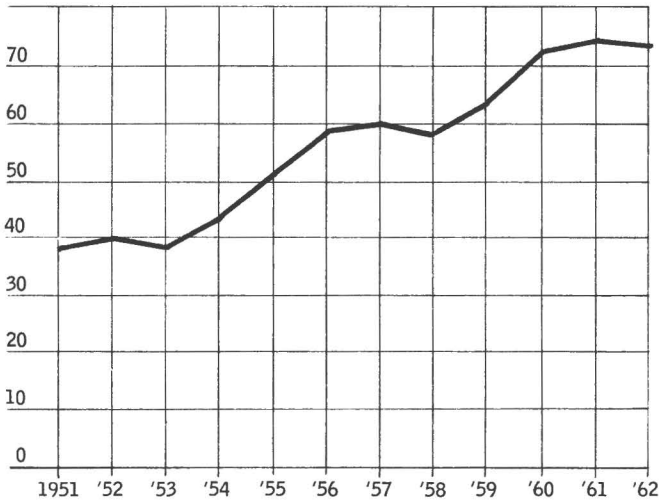
While investment in the steel industry has risen sharply in recent years, investment in coal mining has been falling. In Community extraction industries (coal and iron ore), investment projects in progress and planned on January 1, 1962, indicated little prospect of an over-all increase in production potential. Pithead power stations are the only exception in this sector for which continued expansion is likely. In the steel industry, however, investment programs suggest continued and substantial capacity increases despite the relatively slack state of the market at present.

When final figures are available, the actual expenditure of firms on investment in 1962 is expected to show an appreciable increase over 1961, when it reached the record level of \$1.55 billion. Community firms' investment in fixed assets over the eight years 1954-1961 totaled \$9.1 billion, corresponding to an annual average of \$1.14 billion.

Investment projects submitted to the High Authority since January 1, 1962, involve only moderate sums, however, suggesting that investments in the iron and steel industry will decline in the years following 1963, though the industry's high level of expenditure in 1962 will be maintained in 1963. Investment in the coal industry will probably continue at its present low level.

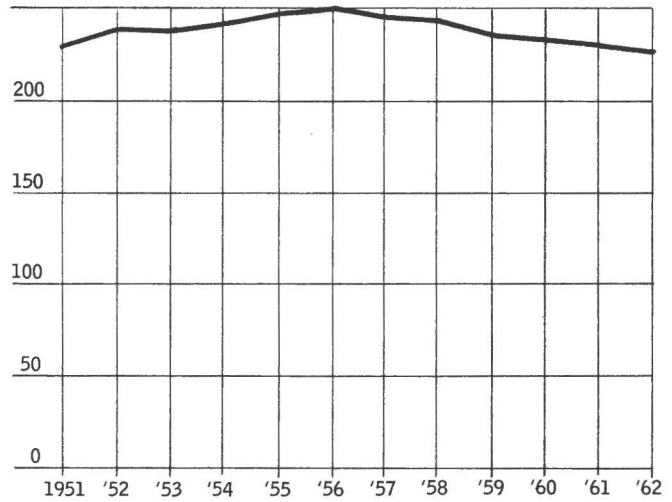
## The ECSC's Total Crude Steel Production, 1951-62

Million metric tons



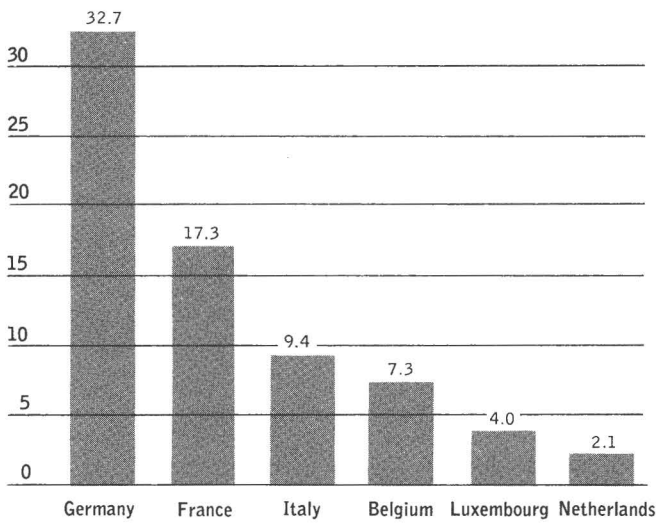
## The ECSC's Total Coal Production, 1951-62

Million metric tons



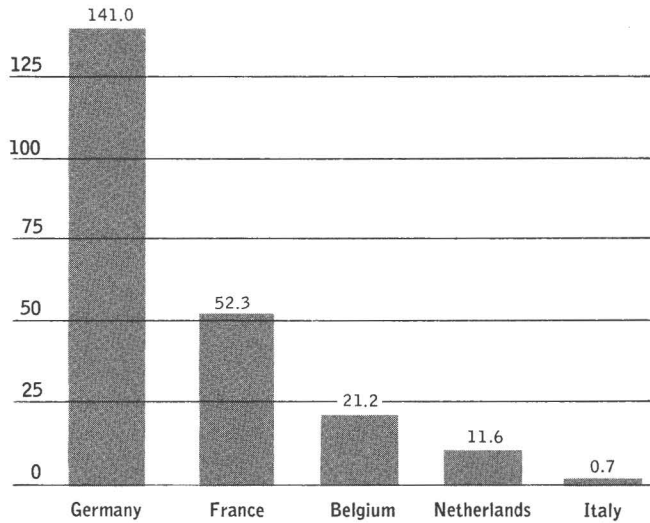
## The ECSC's Crude Steel Production, 1962

Million metric tons



## The ECSC's Coal Production, 1962

Million metric tons



## Regulations on Food Preservatives Proposed

The Commission of the European Economic Community (Common Market) has recently submitted to the EEC Council of Ministers a draft directive on steps to be taken toward standardization of the six member countries' legislation governing preservatives used in foodstuffs.

The directive, which establishes a single list of preservatives to be used to protect food against deterioration, is similar in principle to the Council directive adopted in October 1962 on the harmonization of member states' laws on use of coloring material in food products.

The new directive applies to foodstuffs and preservatives imported into the Community, as well as to Community products. When it enters into force, the member states will have one year in which to amend their laws and two years in which to apply the directive fully.

An annex to the directive includes the list of authorized preservatives—including those which may be mixed in foodstuffs and those which may be used solely on the surface. The directive also contains provisions on the general purity requirements which authorized preservatives must

fulfill and conditions under which food may be smoke-cured. It does not affect national legislation concerning certain food products with other uses (such as vinegar, sugar, and alimentary oils), products used for coating (except paraffin wax), products for combatting organisms harmful to plant life, antibacterial products for use in drinking water, and anti-oxidant products.

Packaged preservatives will have to be marked in specified ways.

The standard list of preservatives contained in the draft directive was prepared with the following principles in mind:

- a) protection of public health;
- b) protection of the consumer against fraud;
- c) practical economic requirements.

The draft was drawn up with the help of a scientific committee and of experts from the governments of the member countries. The Union of Industries of the European Community and the Consumers' Liaison Committee were also consulted.

# SIGNING OF EURAFRICAN PARTNERSHIP AGREEMENT DELAYED

THE MINISTERS OF THE SIX Community countries will meet on April 1-2 to discuss again the signing of the new convention of association between the European Economic Community and the 18 independent African associated countries.

The ceremony of official signature of the convention is expected to be held in one of the African capitals. The date of the signing was discussed at a meeting of the EEC Council of Ministers on February 25-26, when it was decided to postpone decision on the date and to consider making interim arrangements to serve during the interval between the tenures of the old and new agreements (see page 10).

The terms of the new convention, which renews the 1958-62 agreement between the Common Market and the associated states, were agreed in December 1962 after a series of five Eurafrikan ministerial conferences. On December 20 the ministers of the 24 participating countries initialed the new convention of association at the Palace of Congress in Brussels.

Under the new agreement, which is for five years, the Community will provide financial aid for all the associated countries totaling \$800 million, \$219 million more than under the previous agreement.

The 18 independent associated countries will receive \$730 million of the \$800 million total. The remaining \$70 million will go to the dependent French and Dutch associated territories.

## Trade Partnership Continued

The trade provisions of the old association agreement between the African countries and the Community are to be extended. Certain products—pineapples, coconuts, coffee (unroasted and containing caffeine), tea (unpacked), unground pepper, unground cloves, vanilla, unground nutmeg, cocoa beans—will be admitted into the Community without customs duty or charges as soon as the convention comes into force. On these tropical products to be admitted duty-free into the Community from the associated states, the Community will apply a common external tariff reduced, according to product, by 15 or 25 per cent below the present rate for imports from non-member countries.

*The diversified geography of Africa makes the task of diversifying the economy easy in some locations. Here is a scene in Mauretania.*



African exports other than those listed above will continue to benefit from the progressive abolition of duties as they occur within the Community.

In principle, the associated countries will reduce their tariffs on imports from the Community by 15 per cent annually, but in practice the associates will be able to maintain old tariffs or create new ones when such measures are required to protect infant industries.

As for quota restrictions, the Community countries will apply the same rules to imports from the associated states as they apply to imports from each other—i.e., they will remove the restrictions at the same rate.

In return, no later than four years after the convention comes into force, the associated countries will abolish all national quantitative restrictions on Community products and replace them with global quotas open to the Community states without discrimination. This provision is subject to the same safeguard clauses for protection of the associates' developing industries as is the tariff reduction provision.

The convention does not prevent the maintenance or establishment of customs unions or free-trade areas between the associated states or between associated states and other states if such arrangements do not conflict with the principles and provisions of the convention.

The Community will take the interests of the associated countries into consideration in establishing its agricultural policy, with respect to like or competing products, and consultations on this will be held in the framework of a Joint Council of Association.

## Financial Arrangements Outlined

Of the \$730 million allotted to the independent countries, \$666 million will be supplied by the member states (\$620 million in the form of non-repayable grants, \$46 million in the form of loans) and \$64 million by the European Investment Bank in the form of loans at special rates of interest.

The \$730 million total is also allotted according to use—\$500 million for economic and social investments and for technical cooperation, and \$230 million to be devoted to measures to assist diversification and improvement of production.



The European Development Fund for Overseas Countries and Territories, established under the old agreement, will be continued. The EEC Commission will administer its funds in cooperation with a committee of representatives from the member states, with the Commission providing the chairman and secretariat of the committee.

The money allotted for the different forms of aid will be handled through the European Development Fund and in some cases through the European Investment Bank.

The \$230 million sum to improve production and assist diversification will be used to finance projects which will allow the products of the associated countries to be marketed at competitive prices. Each associated state will submit a five-year plan for eliminating artificially high prices. An annual progress report on the plans will be submitted to the Council of Association. The \$230 million will be divided as follows:

- \$32 million for countries which are already able to sell their products at competitive prices on world markets—Burundi, Congo-Leopoldville, Rwanda, and Somalia.
- \$15 million for countries which have undertaken to meet world prices for their products by the time the new agreement comes into force—Gabon, Upper Volta, and Mauritania.
- \$183 million for the 11 remaining countries, whose price supports will be abolished gradually.

It is thus hoped to facilitate the progressive adaptation of the associates' production to enable them to trade in the world market. The aid will be greatest at the start of the five-year term of the convention and will decrease gradually, as the associates' prices become aligned with world prices.

For its imports of cocoa, pepper, palm oil, cotton, and gum arabic, the Community will apply fully competitive world prices from the beginning of the 1963-64 marketing season.

For rice, sugar, and oil seeds, the associated countries will begin to market their produce competitively at world prices when the Common Market's own regulations for these products come into force under the common agricultural policy (for oil seeds, by the beginning of the 1964-65 season at the latest). For groundnuts, this will take place not later than the beginning of the 1964-65 marketing season.

Community aid for exports of coffee from the associated countries will be gradually reduced at the start of the season beginning in the second quarter of 1963, and the associated countries will have to sell at competitive prices no later than the start of the selling period beginning in the second quarter of 1967. The gradual alignment with world market prices for coffee will be at the rate of 15 to 35 per cent annually.

### Machinery of Association Established

The new agreement will be administered by three joint institutions—the Council of Association, assisted by an Association Committee; the Parliamentary Conference of the Association; and the Court of Arbitration of the Association.

The Council of Association, consisting of the members of the EEC Council of Ministers, the members of the EEC Commission, and a representative of the government of each associated state, will meet once a year, or more often

if necessary, to survey the general operation of the convention. The Council of Association is to establish the general lines of technical and financial cooperation. Its chairmanship will be alternated between a member of the EEC Council and a representative of the associated states. Day-to-day administration of the convention will be handled by an Association Committee consisting of one representative from each Community country and one from each associated country; as in the joint Council, the chairmanship will be alternated.

The Parliamentary Conference, a joint body composed of the members of the European Parliament and the members of the parliaments of the associated states, will meet once a year. The Council of Association will submit an annual report to the Conference.

The Court of Arbitration will settle disputes on the interpretation or application of the convention if the Council fails to agree. The joint Council will appoint the five members of the Court—a president and four judges, two nominated by the EEC Council, the other two nominated by the associated countries.

The new agreement envisages that within three years nationals and firms of the Community and of the associated countries will have reciprocal rights of establishment and freedom to supply services. Provision for the accession of new members is contained in the agreement.

The convention will come into force the day after the instruments of ratification have been deposited by the six Community states and at least 15 of the African governments. The Community itself must also have concluded it by a decision of the Council of Ministers.

### A Frenchman's view of African development:

#### "A system of accounts should be set up . . ."

"In future, the [European] Development Fund will have to be kept informed of the assistance the African states receive from the United States (AID and foundations, the Export-Import Bank, etc.), from the United Nations, the IBRD Special Fund, perhaps ultimately from the Intra-African Development Bank, etc. Similarly, the United States should take into account the grants and loans made by the Development Fund. . . ."

"The era of unplanned charity is past, it is ineffective. An era of enlightened interdependence is dawning, with effective assistance as its aim. Thus, in the framework of OECD and the United Nations, a system of accounts should be set up, to enable developing countries to make better use of the capital placed at their disposal, and to free aid from political 'strings.' . . . [There is a] need for an 'over-all approach' to the development of the African continent, and not a sectional approach based on nineteenth-century colonial partitions."—Excerpt from "The European Economic Community and the Associated Overseas Territories," by René Servoise, former technical adviser to the Commissariat Général du Plan. *Aspects of European Integration, An Anglo-French Symposium*, PEP, Sept. 1962.

# INTERIM TIE POSSIBLE FOR AFRICAN ASSOCIATES

THE COUNCIL OF MINISTERS is studying the possibility of employing interim measures to bridge the gap in the continuity of the Common Market-African association during the period before the new association convention goes into effect.

After their February 25-26 meeting the Council issued a communiqué giving "assurance that all member countries will honor the initials appended to the text of the convention."

"The text is accepted unanimously by the member countries," the communiqué stated. "There are no reservations among the Six, and thus the text is final."

The communiqué continued: "In order to give such assurances as may prove necessary, the Community is ready to examine favorably interim measures designed to avoid any lack of continuity between the period just ended (on December 31, 1962) and the period which should follow it with the coming into force of the new association convention."

The Council of Ministers' Permanent Representative Committee has been instructed to study, in collaboration with the Common Market Commission, the possibility of interim measures as envisaged in the Council's communiqué. These will be examined at the Council's next meeting in April.

Ratification of the new association convention has been delayed by the failure of the ministers to agree at a February 25-26 Council meeting on a date for the formal signature of the document.

The Ministers of France, Belgium, Luxembourg, and Germany were in favor of signing the convention without delay, but the representatives of Italy and the Netherlands said that they could not commit their countries until after

ister Couve de Murville said that the agreement already contained a clause emphasizing its open nature.

## Europeans and Africans Regret Delay

In a statement issued after the Council meeting Mr. Spierenburg said: "If the Common Market looks inward instead of outward, the split we now have in Europe will spread to Africa." Belgian Foreign Minister Paul-Henri Spaak said that "delaying the association agreement may force some African nations to turn to Communist countries for aid." M. Couve de Murville declared that the Community countries "should not make the African states the pawn of European politics."

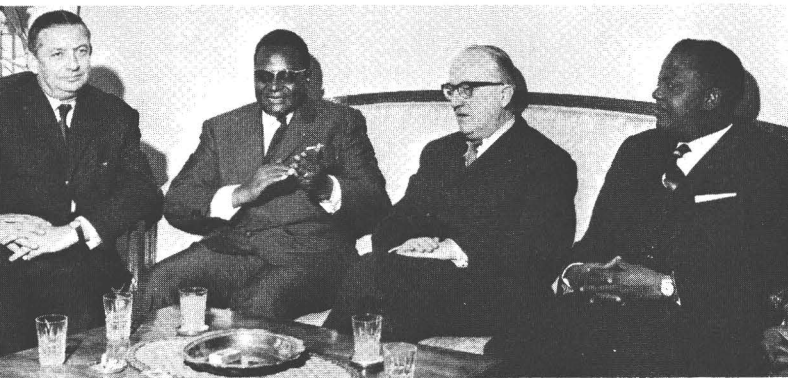
Cyrille Adoula, the Congolese Prime Minister, who visited Brussels as the representative of the 18 African Governments, submitted a statement to the Council of Ministers on the evening of February 25 in which he said:

"The associated states wish to inform the Council of Ministers of their concern at the delay in signing the convention. . . . They are unable to understand the reasons for this postponement of signature, which was originally planned for the end of February. . . .

"Any delay in the signature of the convention will involve an equivalent delay in the convention's coming into force, which means that the technical and financial aid, the terms relating to customs and quota liberalization, and the establishment of the joint institutions which would have set the seal on the agreement will all suffer a similar delay. . . .

"The associated states, as equal partners, hope that the European Community may . . . be mindful of the concern for parity which it has not ceased to stress throughout the negotiations."

In a statement published by its official spokesman on February 28 the Common Market Commission also deplored the delay in signing the new association convention with the African states. "[The Commission] believes," the statement says, "that this delay may damage the close relations which, over the last five years, have grown up between the Community and the associated countries and is likely to prejudice the putting into force of the convention. The Commission will strongly encourage the governments of member countries to sign and ratify the association convention as soon as possible, since this convention has the agreement of all the contracting parties."



Left to right: EEC Commissioner Henri Rochereau, Prime Minister Hamani Diori of Niger, EEC Commission President Walter Hallstein, Prime Minister Hubert Maga of Dahomey.

the elections which are pending in both these countries.

At the Council meeting Dirk Spierenburg, the Dutch delegate to the Council of Ministers, suggested that before any definite date was fixed the Six should decide whether such matters as nil tariffs on imports of tea and hardwood, which had been provisionally agreed during the negotiations with Great Britain, could be included in the convention.

A further Dutch suggestion was made that the convention should be left open to British Commonwealth members in Africa. In response to this, French Foreign Min-

## Independent African countries associated with the Common Market:

Burundi	Mali
Cameroon	Mauretania
Central African Republic	Niger
Chad	Rwanda
Congo-Brazzaville	Senegal
Congo-Leopoldville	Somalia
Dahomey	Togo
Gabon	Upper Volta
Ivory Coast	Malagasy Republic

THE ECONOMIC OUTLOOK for the European Community in 1963 is generally favorable, although a slight slowdown of demand is expected, particularly for exports to non-member countries.

Industrial production should rise by some 5 per cent during 1963, compared with 6 per cent in 1962.

The United States, the United Kingdom, and Latin America increased their exports to the Community during 1962.

These are among the highlights of the Common Market Commission's recently published quarterly survey "The Economic Situation in the Community."

Total investment in Community countries, although remaining at a high level, is likely to slow down, the survey states. Building investment, however, should continue to expand.

The main stimulus to growth in the Community is likely to come from personal expenditure, which the Commission expects to expand at roughly the same high rate as in 1962. An easing of the labor shortage should result in a slower rate of increase for wages, and prices should therefore rise more slowly than they did in 1961 and 1962.

Imports will continue to increase during 1963, the report states, but at a slower rate than previously. The Commission expects a smaller demand for food imports as a consequence of good Community harvests in 1962. Exports, at best, are unlikely to rise above last year's levels, and the report therefore forecasts a deterioration in the Community's balance of payments position.

## 1962: Personal spending boosts economy

In the section of its report devoted to the Community's economy in 1962, the Commission says that the effects of the boom of 1959 and 1960 were still apparent last year, but that expansion of over-all demand was less forceful than it had been previously. The Community's gross product rose by 4.5 per cent in 1962, compared to 5.2 per cent in 1961 and 7.1 per cent in 1960. Industrial production increased by 6 per cent, against 6.6 per cent in 1961 and 13 per cent in 1960. In the five years of the Community's existence to the end of 1962, its gross product has risen by 27 per cent and industrial production by 40 per cent.

Labor shortages acted as a brake on economic growth during 1962, while wages and raw material costs rose steadily above 1961 levels. Investment in export industries, particularly those serving other Community markets, continued to expand, but in other sectors investment declined fairly sharply.

Personal expenditure, however, rose even faster than in 1961 and became the most important element in the continued expansion of the Community's economy.

## Imports from Non-Member Countries Up

Trade between Community countries increased by about 13 per cent in 1962, compared with 15 per cent in 1961. From 1957 to 1962, intra-Community trade has risen by 85 per cent.

Trade with the rest of the world also continued to expand in 1962, and imports from non-member countries rose by 9 per cent, contrasted with 5 per cent in 1961.

Exports did not increase at the same rate, however, and

the Community's balance of payments position therefore deteriorated from near equilibrium in 1961 to a deficit of \$1.5 billion in 1962. Since 1957, the Community countries' imports from the rest of the world have increased by 25 per cent in value and 48 per cent in volume.

The report states: "The acceleration in the increase of imports into the Community seems to have especially benefited Latin America, the United States, and the United Kingdom." During the first nine months of 1962 Community imports from the United States increased 10 per cent in value over the corresponding period of 1961 when U. S. imports increased 6 per cent. For the same nine-month period of 1962, Latin American imports into the Community increased 16 per cent, against a nil increase in 1961; and U.K. imports climbed 20 per cent, compared to 13 per cent in the same period of 1961.

## Plans Made for Future Action if Necessary

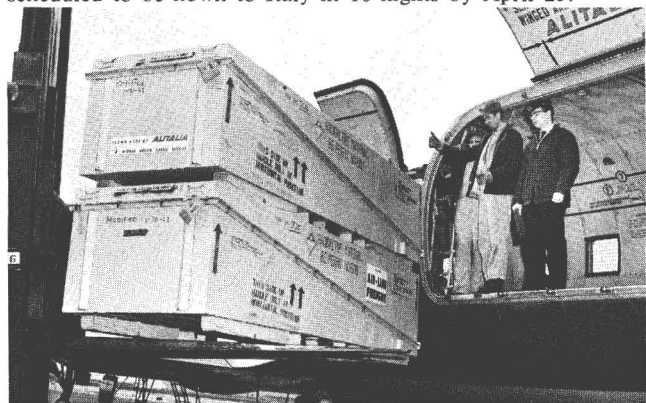
The Commission believes that the over-all economic prospect for the Community is sound, as witnessed by its forecast of a 5 per cent rise in industrial output.

It therefore does not feel that wide-ranging special measures are required to boost the economy at present, although it may be necessary to encourage investment by easing credit restrictions. Action to restrict demand in special sectors—such as building—may also be required in the long term, the report states, but at the moment such measures would be more likely to have an adverse effect on over-all economic expansion.

To safeguard price stability, the Commission again urges the need for an "incomes policy" that would relate wage increments to the over-all rate of economic expansion. The Commission also advocates further reductions in the Community's internal tariffs and a liberal trade policy toward non-member countries as means of keeping prices down.

The Commission has already submitted recommendations to member governments for joint action in the event of a serious deterioration in economic conditions which might occur if, for example, the Community were affected by a recession in another part of the world. The forecast concludes, however, by stating that no such action is necessary at the present time and that some slowing down of expansion was inevitable after the rapid rate of increase in recent years.

The first shipment of enriched uranium under the U.S.-Euratom joint power program left New York for Naples Feb. 5. The largest shipment of nuclear fuel element assemblies ever to leave the U.S., it was the first planeload of a \$13.9 million shipment to the power station being built near Naples by the Italian firm SENN. A total of 229 fuel element assemblies were scheduled to be flown to Italy in 10 flights by April 23.



# U.S., Euratom Approve German Nuclear Project

The U.S. Atomic Energy Commission and the Commission of the European Atomic Energy Community (Euratom) announced on February 15 their approval of the construction of a 237-electrical-megawatt nuclear power plant to be built on the Danube River, some 60 miles west of Munich.

The plant, powered by a boiling-water atomic reactor, will be constructed by the Kernkraftwerk RWE Bayernwerk GMBH. Approval by the AEC and Euratom means that the German power plant will benefit technically and economically from joint U.S.-Euratom research and technical assistance, from financial assistance from Euratom, and a long-term loan from the United States, under the joint power program established by the U.S.-Euratom Agreement for Cooperation.

The "KRB" proposal is the third large-scale nuclear power project accepted in the framework of the nuclear Atlantic Partnership.

Previously accepted for inclusion in the joint program were the Italian SENN boiling-water reactor plant project, submitted in response to the initial invitation for plants to be in operation by December 31, 1963, and the Franco-Belgian SENA pressurized-water reactor plant, accepted under the second invitation for plants to be in operation by December 31, 1965. The KRB project, also submitted in response to the second invitation, is the last which can be accepted under the terms and conditions of the U.S.-Euratom Joint Reactor Program.

The objective of the joint program at its inception in 1958 was the construction within the six Euratom countries of large-scale nuclear power plants having a total installed capacity of approximately 1,000 electrical megawatts (MWE). The total capacity of the three plants being built is expected to be about 640 MWE, or, if the capacity of the SENN reactor is raised, 700 MWE.

## German Reactor to Receive Joint Assistance

The KRB reactor, scheduled to be in operation by December 31, 1965, is expected to cost about \$67 million, including interest, during construction. The initial fuel charge (uranium and fabrication costs) is estimated at an additional \$16.5 million.

The KRB reactor is to be designed and constructed under contracts with the International General Electric Operation, S.A. (Igeosa); The Allegeine Elektrizitaets-Gesellschaft (AEG), manufacturer of electric and mechanical equipment; and Hochtief AG, responsible for civil works. The plant will employ a dual-cycle boiling-water reactor with a capability of 801 thermal megawatts, corresponding to a net electrical output of 237 MWE.

Under the provisions of the U.S.-Euratom Joint Reactor Program, KRB will be eligible for assistance which includes: a loan of about \$20 million from the credit established for Euratom by the U.S. Export-Import Bank for the joint program; purchase from the AEC (through Euratom) on a deferred payment basis of enriched uranium for fuel; sale to the AEC of plutonium generated during the first 10 years of operation (also through Euratom); chemical processing service by the AEC for irradiated fuel while such services are available in the U.S.; and, upon Congressional authorization, guarantees that fuel cycle costs

will not exceed those based on standard irradiation life and fabrication costs established for Joint Program reactors.

In addition, the KRB group has applied to Euratom for the advantages of joint-enterprise status (which include exemption from certain duties and taxes) and for Euratom participation in its project to the extent of \$8 million under the Euratom power participation program. The Commission has agreed in principle to give the \$8 million in aid.

Euratom extends such aid to help enterprises to overcome the deficits resulting from the particularly heavy "start-up" costs of nuclear reactors and to apply toward the purchase of the initial fuel charge. In return for financial contributions, the Commission must have access to the constructional and operational knowledge acquired. This is done through assigning Euratom staff to the project and through technical reports submitted to the Commission.

In these ways Euratom is attempting to ensure that, when the time comes for construction of power reactors on a large scale, there will be adequate experience of power-reactor construction and operation to establish the program.

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## Dragon Agreement Extended

The Dragon agreement, contracted under the OECD European Nuclear Energy Agency for a five-year period beginning in April 1959, is to be extended for an additional three-year period starting in April 1964.

The project involves the construction of an experimental high-temperature, gas-cooled reactor and maintenance of associated research at the British atomic research centre in Winfrith, Dorset. The reactor is an advanced version of the gas-cooled Calder Hall-type reactors on which the present British atomic power program is based. Construction of the Winfrith reactor is now well advanced. Fuel loading is expected to take place at the end of 1963, and the reactor should be in operation early in 1964.

Euratom is participating in the 12-country project on behalf of the European Community. It has contributed some 40 research personnel to Dragon, nearly all of whom are Euratom Commission personnel.

Under the original five-year agreement, Euratom and Great Britain were each contributing 43.4 per cent of the \$28 million sum covered by the agreement. (The remaining \$10 million of the originally estimated total cost of \$38 million was to be borne by Britain). Under the new agreement, the Dragon budget has been raised to \$70 million, of which Euratom will contribute \$32.2 million (46 per cent) and the UK Atomic Energy Authority approximately \$28.7 million (41 per cent). The remainder will be contributed by Sweden, Switzerland, Austria, Denmark and Norway.

Although Dragon will not produce electricity commercially, the experience gained from its operation and from the research and development work now in process should pave the way for the design and construction of a large atomic power station along the same lines.

## Nuclear Liability Convention Signed

Five of the Community countries (all the members except the Federal Republic of Germany), together with Great Britain, Denmark and Norway, signed a supplementary Nuclear Liability Convention on January 31. Germany was expected to sign later, as were Austria, Switzerland, Portugal, Spain and Sweden.

The signature concluded a four-day diplomatic conference in Brussels sponsored by Euratom. The Euratom convention supplements the original OEEC nuclear liability convention, which was signed by all the above countries.

The OEEC convention made firms automatically liable for third-party damages up to \$15 million in the event of a nuclear accident, regardless of who is at fault. The signatory Governments must ensure that firms within their jurisdiction are covered for this amount, though it is left to each country to decide how this should be done.

The supplementary convention raises the liability to a maximum of \$120 million. The government on whose territory an accident takes place must provide coverage up to \$70 million; the remaining \$50 million falls to the other contracting governments, whose shares are based equally on their national revenue and on the thermal output of their nuclear installations. The supplementary convention applies only to installations concerned with the peaceful uses of nuclear energy.

## ECSC Provides Readaptation Aid

The High Authority of the European Coal and Steel Community has decided to provide "readaptation" aid for 4,150 German miners and 1,605 steelworkers affected by the closing of a steel mill, two coal mines, and an iron mine in the Ruhr and Saar areas.

Total aid amounting to more than \$1.4 million will be provided by the High Authority to cover losses suffered by the workers in these mines during their transferral to other jobs. The majority are expected to find work in factories or mines owned by the same companies by which they have been employed.

The closure of the coal mines forms part of the reorganization of the ECSC coal industry, under way since the coal crisis of 1958-59. In order to meet competition from other cheaper sources of energy, the coal industry is taking drastic steps to make sure that it deploys its manpower only in mines which can produce grades of coal with substantial markets and at competitive prices. Labor shortages in the industry are hastening this process.

In one of the coal mines being closed, about 700 miners nearing retirement age will retire voluntarily, receiving a special compensation in addition to their normal pension.

The steel mill is being closed because of changes in production costs and the difficulty of finding outlets for the hot rolled sheet steel which it produces.

## Open Capital Market Emerging in Community

The Common Market Council of Ministers has approved its second directive abolishing restrictions on the free movement of capital within the Community. It goes into effect on April 22.

The new directive supplements and amends the first Community directive on capital movements issued in May 1960. The main provision of the new directive is designed to ensure within the Community complete and unconditional freedom of movement for money connected with stock exchange transactions. Member government's former powers to restrict the buying and selling of foreign stocks and shares by their nationals have been withdrawn, thus abolishing one of the obstacles to short-term capital movements.

Former measures to liberalize the movement of emigrants' capital have been supplemented so that there will be complete freedom for capital transactions by Community citizens taking up residence in another member country.

The new directive also contains provisions to liberalize all financial transfers connected with the supply of services within the Community. In addition, it contains special liberalizing measures concerned with the transfer of frozen accounts, patent fees, and authors' royalties.

The earlier Community directive of May 1960 unconditionally freed a wide range of capital movements and conditionally freed many others. After the second directive goes into effect, the remaining restrictions will affect chiefly the forms of short-term capital movement likely under pressure to constitute flights of "hot money." Member governments also retain the right, subject to authorization by the Common Market Commission and approval by the Council of Ministers, to take defensive measures if capital movements seriously threaten their economies.



**Dirk Spierenburg**, who has been a member of the High Authority of the European Coal and Steel Community since 1952 and Vice President since 1958, resigned on December 15 to become Permanent Representative of the Netherlands Government to the Communities. Mr. Spierenburg represented the Netherlands in the ECSC Treaty negotiations.



**Johannes Linthorst Homan** was named to replace Mr. Spierenburg on the High Authority. Mr. Linthorst Homan, who assumed his new post on December 15, had been Permanent Representative of the Netherlands Government to the Communities since the start of the Common Market and Euratom.

## Eastern Bloc Imports Regulated

Community imports of grains, pork, eggs, and poultry from countries with state-trading systems—mainly the Communist countries—are now subject to a regulation adopted by the Common Market Council of Ministers on January 24.

The regulation abolishes all quantitative restrictions on imports from these countries. Member countries of the Community will, however, take into account "value quotas" in any bilateral agreement which they make with the state-trading countries. In principle these quotas are not to exceed the average level of imports from the country in question for the years 1960 and 1961. The quotas are also subject to the normal intra-Community consultation on trade agreements with non-member countries.

The importing member country may suspend all imports which exceed the "value quota." In addition, if the quota is exceeded by more than 20 per cent and the stability of the market in one or several of the member states of the Community is endangered, the Common Market Commission can order suspension of the imports. Member countries may appeal against such a decision to the Council of Ministers.

The safety clauses in the new regulation, which came into force on February 1, are applicable to all existing trade agreements between Community and state-trading countries when imports exceed the quotas fixed by the agreement. The new regulation applies until December 31, 1964, and the Commission will submit proposals to the Council of Ministers for the system to be applied thereafter.

During 1961 trade between the European Community and the countries of the Eastern bloc (excluding Communist China) rose by 10.7 per cent. The total value of Community trade with these countries in 1961 was \$2,177,100,000, or 5.8 per cent of all Community trade with non-member countries. Common Market imports from the Eastern countries rose from \$975,000,000 over the year to \$1,078,700,000; Community exports to the area rose from \$991,900,000 to \$1,098,400,000.

## EEC Makes External Tariff Reductions

The Common Market Council of Ministers has abolished or reduced, as of January 1, the Community's common external tariff on the following list of goods: maize; vegetable products used in perfumes, medicine, and the preparation of insecticides; fish and whale oils; meat extracts; preserved fruits; coal-tar derivatives; vegetable oils; fine wool cloth; anodes for nickel-plating.

The decision was taken, following a proposal from the Common Market Commission, because Community production of certain industrial raw materials is not keeping up with the needs of processing industries.

The Council of Ministers also decided to suspend or reduce temporarily, from January 1 to December 31, 1963, the common external tariff on some tropical woods, pine clapboards, glass beads, imitation precious stones, and a wide range of chemical raw materials. The tariff on some aluminum laminates was also reduced for a similar period.

Further information on the Council's action in regard to these products is available in the December 17 issue of the *Journal Officiel*.



*Jean Monnet, president of the Action Committee for the United States of Europe and first president of the European Coal and Steel Community, receives the 1962 Freedom Award, presented by Under Secretary of State George Ball on behalf of Freedom House at a ceremony in New York on January 23.*

## Italians to Appeal French Tax on Refrigerators

The Italian Government has decided to appeal the Common Market Commission's authorization in January permitting France to impose a special duty on imports of refrigerators and spare refrigerator parts from Italy.

The Italian decision was made after the Italian Association of Electrical Industries protested against the tax, which is a graduated duty imposed for a limited time.

The French Government had requested the Commission in December to apply Article 226 of the Rome Treaty to refrigerators and spare parts, to reduce the pressure on the market caused by Italian refrigerator imports and to enable French manufacturers to reorganize.

The specific duty is equivalent to 12 per cent of the customs value until April 30, falling to 9 per cent in May and June, and 6 per cent in July. The safeguard measure will be discontinued after July 31, 1963. The Commission ruled that the duty be imposed by France on Italian refrigerators unless Italy levies a similar charge on exports. The duty covers only part of the difference in price between French and Italian refrigerators.

After the liberalization of trade on January 1, 1962, Italian refrigerator imports into France climbed steeply, amounting to 22.5 per cent of total French refrigerator output during 1962 and causing a severe drop in French production.

## Import Levy Surcharge on Poultry Reduced

The European Economic Community reduced the surcharge on import levies on slaughtered hens and chickens from non-member countries to .05 units of account (\$.05) per kilogram, effective January 31, 1963.

The levy was raised by \$.0625 per kilogram on imports of these products from non-member countries other than Denmark on November 7, 1962, in accordance with Commission Regulation No. 135.

The Common Market Commission decided to reduce the surcharge when it found that the price of these products from non-member countries was only \$.05 per kilogram below the sluice-gate price.

## Procedures Set for Registration of Agreements

The Common Market has made a number of decisions on the application of Community cartel regulations which affect the registration of exclusive-agency and patent-license agreements. Among the most important of these is a definition (published in the Community's *Journal Officiel* of December 24, 1962) of the conditions under which commercial-agency contracts and patent-license agreements will be excluded from the scope of Article 85 of the Rome Treaty and will therefore not be proscribed under Community law or subject to registration.

A simplified registration for exclusive-agency contracts not exempted from Community regulations was also established by the Commission. This applies to agreements between not more than two firms which do not result in mutually exclusive trading in products that they both produce, and which do not contain minimum price obligations decided by the licensor.

Although there had been some question of extending the time limit for the notification of exclusive dealing agreements and license contracts, the Common Market Commission announced on January 11 that the Treaty procedures necessary for such an extension could no longer be completed by the existing deadline of February 1, 1963, and that this must therefore stand as the last date for notification of such agreements.

## Protection Continued for Italian Lead, Zinc, Sulphur

The Common Market Commission has authorized the Italian Government to continue its protection of the Italian sulphur, lead, and zinc markets by import tariffs and quotas for a further period to December 7, 1963.

Continued isolation of the Italian markets for these products is envisaged by the Commission until March 1966 for lead and zinc and until March 1968 for sulphur, subject to its approval of the Italian Government's plans for rationalizing these industries.

The Italian lead and zinc industries are situated mainly in Sardinia and the sulphur industry primarily in Sicily. The protective measures have been authorized as part of the Community's policy of developing the economically less favored areas of Europe.

## Emergency Measures Proposed for Lead and Zinc

The Commission of the European Economic Community has submitted to the EEC Council of Ministers a memorandum on a common industrial and trade policy for lead and zinc, including proposals for an emergency program while prices for these products on the world market are abnormally low.

The Commission's memorandum, presented at the February 25-26 session of the Council, recommends accelerating the timetable in the Treaty of Rome for applying the common external tariff, abolishing internal duties, waiving the special tariff quotas provided for lead and zinc, and implementing a common trade policy.

The Commission proposes that a new customs sub-heading at zero duty be introduced for lead bullion (a raw material for the metalworking industry) and that the duties

in the common customs tariff for lead and zinc be suspended when London prices reach or exceed \$20.67 per 100 kilograms for lead and \$23.42 per 100 kilograms for zinc.

The Commission felt that the present steady fall in lead and zinc prices resulting from the artificial imbalance on the world market represents a threat to Community producers and is not in line with the interests of consumers.

Because of the urgent need to cope with these difficulties, the Commission has authorized a number of national safeguard measures for a limited time as part of the emergency program, which will provide a foundation for a Community industrial policy in the two sectors.

## Strauss Appointed to European Court

Walter Strauss, German Secretary of State for Justice, was appointed a Judge of the Community's Court of Justice on January 24, replacing Otto Riese, who has resigned. Mr. Strauss will serve for the remainder of Mr. Riese's term of office: until October 6, 1964.

Ministers representing the six Community countries expressed their gratitude to Mr. Riese for his services to the European cause and for the devotion and competence with which he has carried out his task as a Judge since the Court's creation in 1952.

## Applications Due for CIFE Summer College

The Collège Universitaire d'Études Fédéralistes, conducted by the Centre International de Formation Européenne (CIFE) will hold its third summer session this year at Chatillon in Italy's Aosta Valley.

Entrance applications for the 11-week session, from July to mid-September, should be filed as soon as possible.

Students are selected on the basis of their graduate status in political science and international relations and their knowledge of French. Upon successful completion of the course, including a comprehensive oral examination in French, full-time summer students receive the "Certificat d'Études Supérieures du Fédéralisme."

The CIFE, founded in Paris in 1954 and headed by Alexandre Marc, is a center for research on problems of European integration. The Center publishes a monthly journal *L'Europe en Formation*, which, in its October-November 1962 issue, had a report on the College's 1962 summer session in Aosta Valley.

U. S. students interested in applying for enrollment in the 1963 summer session or in obtaining a subscription to *L'Europe en Formation* may write to: Centre International de Formation Européenne, 6 rue de Treviso, Paris 9, France. Information in the U. S. about applications and scholarships may be obtained from Dr. Gerhard Mally at: Foreign Policy Research Institute, University of Pennsylvania, 133 S. 36th Street, Philadelphia 4, Pennsylvania. A limited number of scholarships are available.

## NEW BOOKS

THE COMMUNITY OF EUROPE, PAST, PRESENT AND FUTURE, by Richard Mayne, published by W. W. Norton, New York, 192 pp., \$4. The author is a member of the Official Spokesman's Group of the EEC Commission.

THE POLITICAL FUTURE OF THE EUROPEAN COMMUNITY, by Roy Pryce, published by John Marshbank Ltd. in association with the Federal Trust, London, 93 pp. and appendix, 15s (\$2.10). Mr. Pryce is head of the London office of the European Community Information Service.

FRANCE—ITS INDUSTRIES (paperback guide to French industry, containing illustrations, maps, and directory), published by Conseil National du Patronat Français, 112 pp., \$1. Distributed in U. S. by France Actuelle, 221 Southern Building, Washington 5, D. C.

## Euratom Issues Bulletin

*Euratom Bulletin* No. 1, 1963, is devoted mainly to a review of the U.S.-Euratom cooperation agreement concerning peaceful uses of atomic energy. It includes articles by Federico Consolo, Adviser to the Euratom Commission, and Pierre Kruys, Secretary of the U.S.-Euratom Joint Research and Development Board. Copies are available from the European Community Information Service, 235 Southern Building, Washington 5, D. C.

## PUBLICATIONS AVAILABLE

ÉTUDE SUR LES PERSPECTIVES ÉNERGETIQUES À LONG TERME DE LA COMMUNAUTÉ EUROPÉENNE, High Authority, Luxembourg, December 1962, 197 pages ..... \$ .60

An analysis of the energy market of the European Community prepared by the High Authority of the European Coal and Steel Community with the collaboration of the European Economic Community and Euratom.

EURATOM, Spokesman of the Euratom Commission, Brussels, 1962 ..... free  
A leaflet which describes the activities of the European Atomic Energy Community. *Available in quantity.*

ECSC 1962, High Authority Spokesman's Office and European Community Information Service, Luxembourg, September 1962, 40 pages ..... free  
A brochure on the organization and achievements of the European Coal and Steel Community.

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