



# *europaean community*

COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM

## EEC MINISTERS FACE TRADE, AGRICULTURE ISSUES

THE EEC COUNCIL OF MINISTERS has tentatively scheduled four meetings in February.

The Six's foreign ministers will discuss February 3-4 relations with Israel and Austria. On February 24-25, they will study the question of a proposed merged Community executive. The ministers of social affairs will convene February 6-7 to consider the second phase of free-movement-of-workers regulations.

Agriculture ministers of the EEC member countries hope to complete on February 6-7 basic work on the farm regulations agreed upon at the end of the December Council meeting.

In particular, the Council will discuss technical questions of dairy, beef, and veal regulations and measures for financing the common agricultural policy. The Council is also scheduled to discuss adoption of an "intra-Community refund." The refund, a transitional measure to implement the common agricultural policy, would repay producers for losses resulting from higher production costs in certain countries.

The Council, composed of foreign and agriculture ministers of the Six, ended a marathon session on December 23 in agreement on rice, beef, and dairy regulations and on the Community's negotiating position prior to the "Kennedy Round."

The EEC's 1963 timetable required establishment of the agriculture regulations before December 31. The Council decided to include, in the same "package" with the agricultural regulations, directives to the Community's negotiators in the Kennedy Round trade negotiations in GATT.

Detailed decisions requiring no further Council action were reached on the Kennedy Round directives and the rice regulation.

### Rice Rule Patterned on Grains

The Council modeled the rice regulation on the 1962 grain regulation. The most important provision of the grain system to be copied is the supplementary levy, applied when the import offer price falls below the Community's threshold price. The rice regulation will go into effect at the same time as does a system to protect rice imports from developing countries associated with the Community. Prior to the application of the rice regulation, the EEC Commission will submit proposals to the Council on policies co-

ordinating the common agricultural policy and the Community's trade policy.

### Gradual Dairy Market Planned

Dairy prices in the member countries will be adjusted toward a common level beginning in 1966. The dairy regulation provides for a levy system based on the differences between the established market prices in member states and Community supports for butter and cream production. Producers who do not receive the income expected at the target price for milk will receive subsidies from their governments. This assistance must be adapted to a Community-wide system beginning in 1966-67.

The Council also decided to draw up a regulation on fats before November 1, 1964. Food oil production and export by the associated states of Africa and Madagascar, and Community olive oil production will be protected under this regulation. Subsidies for olive oil production will be financed by the Community's guidance and guarantee fund and from an \$87 million annual tax on margarine. During 1965 and 1966, the first two years this regulation is in force, certain member countries—particularly the Netherlands—will be able to make direct budgetary appropriations rather than levying the tax.

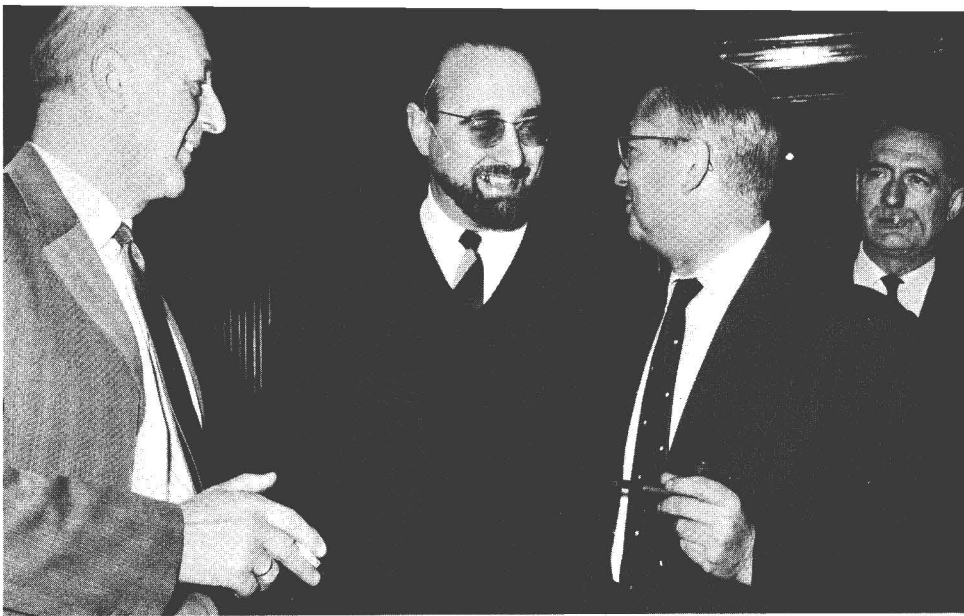
### Target Price for Beef and Veal

A Community target price for beef and veal will be established. Member countries will use price supports and, in intra-Community trade, a levy system. Imports from non-

#### IN THIS ISSUE

page

- |    |  |
|----|--|
| 3  | GATT to Review Disparities                   |
| 4  | Community Emerges Strengthened at Year's End |
| 5  | Euratom Stresses Research                    |
| 6  | ECSC Ends Decade                             |
| 8  | Steps Taken to Strengthen Steel Market       |
| 10 | European Citizens More Community-Minded      |
| 11 | Fifty-Thousandth House Completed             |



*Agreement in Brussels: (left to right) Sicco L. Mansholt, EEC Commission vice president; Edgard Pisani, French minister of agriculture; and Henri Rochereau, Common Market commissioner. In background: Louis Georges Rabot, EEC director general of agriculture.*

member countries will be controlled by tariffs and levies. Import certificates will be issued for certain products and quotas will be applied to imports of frozen meat. The Council may increase the quotas beyond those guaranteed under GATT by a majority vote. Trade under the long-term German-Danish agreement will be excepted from the Community system.

The Council adopted regulations on contributions to the European guidance and guarantee fund and payments from it to farmers. Member states will contribute partly according to the scale of their contributions in the Rome Treaty and partly in proportion to their imports of given products.

The EEC Commission will be responsible for subsidy payments and grants for agricultural rationalization. The committee on agricultural guaranties and the permanent committee on the structure of European agriculture, each composed of representatives of the member countries, will assist the Commission. These organs are patterned on the management advisory committees which exist for each com-

modity under the common agricultural policy.

Control of these funds by the European Parliament has been proposed by the Dutch government. The Council has agreed to study this proposal in the framework of a general strengthening of the Parliament's powers, now under study.

### Grain Price Scheduled for April

The ministers agreed that grain prices for the 1965-66 season will be set by the Council before April 15, 1964. The prices will be fixed on the basis of the EEC Commission's "Mansholt Plan" proposed last November. The refund system in intra-Community trade will be abolished except where differences exist in the cost of grains used in the production of other commodities. The European Parliament discussed and, in general, approved the "Mansholt Plan" at its January 7-8 meeting.

### 'Kennedy Round' Position Approved

Directives for the Community's negotiators in the Kennedy Round were approved for both industrial and agricultural products. These will enable the EEC Commission to play a constructive role in the negotiations which will establish the ground rules for the full-scale Kennedy Round GATT meeting beginning in May, 1964.

Before the Kennedy Round, a solution will be sought on the problem of disparities between the industrial tariffs of major industrialized countries. The Council's proposed formula defines a disparity as occurring when one country's tariff is twice as high as another country's, and at least 10 percentage points higher. The Council was equally concerned with minimizing the number of exceptions to a linear percentage reduction in tariffs.

In agriculture, the Council based its directive on the Commission's proposal ("second Mansholt plan"). The Commission will make proposals in GATT based on the need for reasonable access to the markets of the main importing countries and for a more balanced flow of world trade.

The agricultural regulations still require legal and linguistic editing. The dairy and beef regulations are to enter into force on April 1, 1964 and the rice regulation in September or October. No date has been set for the financial regulation, but it will be retroactive to July 30, 1962 when enacted. Exact texts of the regulations, as adopted, are expected to be available early in the spring.

### Monnet Supports Council Decisions

"The Brussels agreement (in the December Council of Ministers meeting) proves that the unification of Europe has become irreversible. With a common market for agriculture complementing that for industry, the point has been reached where European interests are welded together. With the United States and the rest of the world, the six countries have likewise decided to negotiate together.

"All this is owing to the European states' acceptance that their problems are common, not national. To solve them, their institutions—the Common Market Commission and Council—have fulfilled their role as genuine European institutions. The importance of institutions in the world has also been demonstrated clearly in the United States, where, thanks to her institutions, this great country has successfully surmounted so grave and so sudden a crisis."—

JEAN MONNET, *President, Action Committee for the United States of Europe.*

# DISPARITIES PROBLEM SCHEDULED FOR FEBRUARY GATT REVIEW

INDUSTRIAL TARIFF DISPARITIES between the United States and the Common Market countries are to be reviewed February 10 in Geneva prior to the Kennedy Round of trade negotiations.

The GATT Trade Negotiations Committee, composed of 32 countries so far participating in the forthcoming trade negotiations, will examine results of investigations conducted by its four subsidiary bodies.

The subcommittees, created last June to deal with Kennedy Round problems, are:

- The sub-committee on the tariff negotiating plan, which will define rules and methods for cutting tariffs on industrial products.
- The committee on agriculture, which will determine rules for achieving acceptable conditions of access to world markets for agricultural products.
- The sub-committee on non-tariff barriers.
- The sub-committee on the participation of less-developed countries.

## Aim: Linear Cut

The disparities question will be the major subject under consideration next month.

Under the U.S. Trade Expansion Act, United States duties may be cut up to 50 per cent provided that the EEC and other industrial countries reciprocate. The generally accepted aim of the Kennedy Round is to achieve an "across-the-board" or linear cut of as close to 50 per cent as possible in industrial tariffs.

A problem occurs in cases where major disparities exist in the duty level of bargaining countries. For instance, a 50 per cent cut in a very high duty of one country may still leave a tariff prohibitive to trade, while an equivalent cut in a lower tariff of another country could deprive that country of any protection.

The problem is particularly important to the Common Market. Trade specialists have found its common external tariff (based on the arithmetical mean of four separate tariffs) to be uniform with few marked variations. The vast majority of EEC duties on industrial goods are less than 24 per cent. The United States tariff, however, has a large number of "peaks." A 50 per cent cut would leave nine out of 10 of the EEC's duties under 10 per cent, whereas only half of the United States' tariff duties would fall below that level.

The sub-committee on the tariff negotiating plan has been mainly concerned with a search for an acceptable formula for determining which cases of disparity are "significant in trade terms."

## EEC Formula Defined

A formula proposed by the EEC would define a disparity as occurring when one country's tariff was twice as high as another country's, and also was at least 10 percentage points higher. (For instance, a 40 per cent tariff compared to a 20 per cent tariff.)

Progress in the other sub-committees will also be noted at the meeting in February. In November, the agriculture committee created a "pilot group" to deal with dairy products consisting of representatives of Australia, Denmark, EEC, New Zealand, the United Kingdom and the United States.

The Trade Negotiations Committee will also learn the outcome of a January meeting of the sub-committee on non-tariff barriers to trade. At that time, the committee will examine a list of non-tariff barriers suggested by the participating countries. The list includes escape clauses, anti-dumping policies, administrative and technical regulations, discriminatory import restrictions, and health regulations.

## Community Executives Retained

The presidents and vice presidents of the European Community's executive branches—the Commissions of the European Economic Community and the European Atomic Energy Community and the High Authority of the European Coal and Steel Community—were re-elected January 10 by the member states' Permanent Representatives.

The Representatives renewed for another two-year term the mandates of the following officers:

EEC COMMISSION: President Walter Hallstein and Vice-Presidents Sicco L. Mansholt and Robert Marjolin;

EURATOM COMMISSION: President Pierre Chatenet and Vice-President Enrico Medi; and

ECSC HIGH AUTHORITY: President Rinaldo Del Bo and Vice-President Albert Coppé.

The ECSC High Authority re-appointed members Paul Finet, Fritz Hellwig and Roger Reynaud. (The nine members of the ECSC High Authority each serve for six years. One-third of the membership is renewed every two years.)

Terms of the re-elected officers will be subject to cancellation if the proposed merger of the three executive bodies occurs during the next two years.

## Notification Date for Cartels Extended

The closing date for the notification of certain national cartels, resale price maintenance and licensing agreements, standards, types and research cartels has been extended from December 31, 1963 to December 31, 1966 by the EEC Commission.

The extension regulation, which became effective November 8, allows the Commission time to clarify the EEC cartel law through a number of formal decisions. This will facilitate firms in adapting their agreements to the legal requirements.

Provided the Commission is notified by December 31, 1966, the cartels can be brought into conformity with the EEC cartel law and, consequently, exempted from prohibition under Article 85 of the Rome Treaty.

---

*A copy of this material is filed with the Department of Justice, where, under the Foreign Agents Registration Act of 1938, as amended, the required registration statement of the Information Office, European Community, 808 Farragut Building, Washington, D.C., as an agent of the European Economic Community, Brussels, the European Atomic Energy Community, Brussels, and the European Coal and Steel Community, Luxembourg, is available for public inspection. Registration does not indicate approval of the contents of this material by the United States Government.*

# COMMUNITY EMERGES STRENGTHENED AT YEAR'S END

## Momentum Regained Following Breakdown of British Negotiations

THE EUROPEAN COMMUNITY weathered strong internal stresses in 1963 and emerged more concerned with its relations with the rest of the world.

Beginning with suspension of negotiations for British membership in the Community, the year ended with a marathon EEC Council session providing many of the missing elements of its common agricultural policy. The breakdown of British negotiations and the consequent suspension of talks with Denmark, Norway and Ireland cast a shadow over the first half of the year which made progress on other major problems difficult.

However, a "synchronization" formula proposed in May by German Foreign Minister Gerhard Schroeder enabled the EEC Commission to begin work on its action program for the Community. The formula called for a "synchronization" of decisions in various fields at once which would consider the interests of the member countries equally.

### 'Synchronization' Leads to Action

Based on the synchronization formula, the EEC Council of Ministers approved a working program in July which covered both internal development and external relations of the Community. The program contained a number of obligations which were met during the year. A December 31 deadline was set for solution of some problems.

Two major items in the field of the Community's external relations formed part of the action program. The first was the new association convention with the independent African countries, signed in Yaoundé, Cameroon in July, and the second was the association agreement with Turkey signed in Ankara on September 12.

### International Contacts Enlarged

Activity in the field of external relations was varied and intense throughout 1963. In October, the Community concluded its first commercial trade agreement—with Iran. Trade negotiations with Israel were conducted throughout the year. At its December meeting, the EEC Council of Ministers agreed to coordinate and augment the member countries' technical assistance to Lebanon.

Regular contacts with Britain were re-established through the Western European Union ministerial meeting in the Hague in October. The meeting resulted in a decision to coordinate British and Community aid to Latin America. A second meeting was planned for January 1964 in London.

In October and November, Danish Foreign Minister Per Haekkerup conferred with the EEC Commission in Brussels concerning the indirect effect of the Community's agricultural policy on Denmark. Similar talks were conducted with Irish Foreign Minister Frank Aiken in November.

Austria also renewed efforts, postponed by the veto on British membership, to seek Community association. Talks between Austrian and Community representatives took place in Brussels in July, autumn, and December. The EEC Commission will present a report on these meetings to the Council of Ministers early in 1964.

Some Commonwealth countries applied directly to the EEC Commission for Community trade agreements. The

Indian government requested in summer a number of immediate tariff concessions and talks on a long-term bilateral agreement. In December, the EEC Council of Ministers granted limited unilateral tariff concessions to benefit India but rejected, for the time being, bilateral talks. Exploratory discussions with Nigeria began in November. Kenya, Uganda and Tanganyika applied to negotiate a "formal economic relationship," similar to the African association convention, between the East African Common Market and the Community.

### 'Kennedy Round' Preparations Made

In addition to the growing network of bilateral contacts and commitments, the Community prepared for its role in two forthcoming international conferences on the expansion of world trade and aid to the developing countries. Beginning in May 1963, the EEC Commission participated, on behalf of the Community, in preparatory talks in Geneva for the "Kennedy Round" of trade negotiations. In conformance with the synchronization plan, the EEC Council accepted in December the majority of Commission proposals for a common negotiating position for the GATT conference. Also in December, the EEC Commission proposed a Community position to the Council for the United Nations' Trade and Development Conference scheduled to meet March 23, 1964.

Steady application of the Rome Treaty in administering and developing a customs union provided a backdrop throughout the year to the activity in the external field. The Community continued its progress toward economic union preceding agreement on the action program. A further "accelerated" cut brought tariffs on trade between member countries down to 40 per cent of their 1957 level on July 1. On the same day came the second 30 per cent alignment of national tariffs on the common external tariff.

*Agriculture: A Community problem, a world problem in 1963*





## Imports Increase 11 Per Cent

The striking expansion of the Community's trade, which marked the first five years of its existence, continued during 1963. Trade between member countries increased during the first nine months of 1963 by 16 per cent compared with the corresponding period of 1962. Exports to the rest of the world rose by four per cent and imports to the Community increased by 11 per cent over the same period.

Pursuing action program targets for the second stage of the Common Market, the EEC Commission presented to the Council its proposals for extending monetary cooperation among member countries and lengthening coordination of economic policy to a medium term of four or five years. The Council is scheduled to discuss these proposals in 1964.

Approximately 35,000 agreements registered under the Common Market rules on competition were sifted in 1963 and some rulings made in preparation to establishing a body of "case law." Work continued on the harmonization of national systems of turnover taxes so that drawback on

exports allowed by some governments may not distort competition between Community firms.

## Farm Policy Decided

Farm policy issues dominated the Common Market's internal affairs in 1963. July saw the successful completion of the first year's application of the common policy for wheat and secondary grains, pork, eggs and poultry, fruit and vegetables. Particular attention was focused throughout the year on the extension of the common policy to markets for rice, beef and veal, and dairy produce. The EEC Council met the deadline set in its action program by settling the major points at issue during its December session. (See story page 1).

Thus the year which began in stalemate ended on a note of suspense and anticipation. Although the year saw no new initiatives toward political union as such, economic and social decision-making at the Community level nevertheless assumed an increasingly political aspect.

## EURATOM STRESSES RESEARCH

THE EUROPEAN ATOMIC ENERGY COMMUNITY'S research activities expanded in 1963 and significant progress was made in the application of nuclear energy.

The first year of its second five-year research program was marked by increased day-by-day cooperation with the United States and by wider contacts with other non-member countries.

Of the \$425 million allocated to the 1963-67 program and supplemented by approximately \$20 million remaining from the first research program, \$94.9 million was made available for research in 1963. A number of important research contracts were concluded during the year. Activity expanded at Euratom's research centers at Ispra (Italy), Geel (Belgium), Petten (Netherlands) and Karlsruhe (Germany).

An association contract for fast-reactor research, similar to the one concluded in 1962 with the French Atomic Energy Commission (CEA), was signed in May between Euratom and the German Karlsruhe center. The contract covers an expenditure of \$46 million, 40 per cent of which is to be contributed by Euratom. A total of \$73 million is authorized for fast reactor research under the Euratom second five-year research program.

A study prepared by the Euratom Supply Agency's consultative committee, and approved and published by the Commission, forecast a sufficient supply of the free world's currently known, exploitable uranium reserves until 1980. After that time, the study predicted the exhaustion of these reserves unless preventative measures are taken. Among the measures advocated by the committee were increased investment in uranium prospecting and extraction—both within and outside the Community—the building up of uranium stocks, and the development of fast breeder reactors.

"Euratom Information," published every two months, appeared during the year. It provides information on Euratom research and development projects, contracts, news summaries, and details of patented inventions in the nuclear field.

The Euratom Commission conducted a number of con-

ferences during 1963 with experts in various branches of nuclear science from all Community countries. Scientists from non-member countries frequently participated. Some other meetings held during the year concerned: briefing industrialists on Euratom's Power Reactor Participation Program; the consequences of future nuclear power development for nuclear industry firms; the technical and economic outlook for "proven" power reactors; the use of isotopes for measuring the movement of solids in water; marked molecules; and the medical supervision of workers exposed to radiation.

## U. S. Fuel Imports Increase

At the time this summary was being printed, discussions were being conducted with the United States authorities for the supply of plutonium for Euratom's fast reactor program. Talks were also in progress on the extension of U.S.-Euratom cooperation to the field of fast reactors. In the spring, the SENN power reactor was fueled under the joint Euratom-United States power program. The total of 229 fuel element assemblies provided to this first reactor of the joint program represented the largest shipment of nuclear fuel from the United States. In August, the U.S.-Euratom agreement was amended to lift from 30 tons to 70 tons the ceiling on the quantity of enriched uranium which the United States will make available for the Community's power and research reactors.

In September, a contract was signed between the United States Atomic Energy Commission and the Euratom Supply Agency for provision of up to eight tons of enriched uranium for the Italian SELNI power reactor, now under construction. The provision represents the first delivery to Euratom of fuel for a large-scale power reactor outside the United States-Euratom joint program.

In addition, considerable amounts of nuclear material were supplied by the United States through Euratom Supply Agency to various research reactors in Community countries.

During 1963, the German KRB reactor project at Gund-



remmingen and the Franco-Belgian SENA project at Chooz, France, were formally included in the United States-Euratom joint program. The three projects (SENN, KRB and SENA) under this program now represent a combined planned capacity of approximately 700 MWe. In March, the German KRB and the Dutch SEP reactor projects were included in Euratom's own Power Reactor Participation Program, bringing the total number of reactors in this program to five, to which Euratom will contribute \$32 million from its research budget.

Both the Garigliano (SENN) American-built power station and the British built Italian Latina entered service during the year, furnishing a combined capacity of a little less than 400 MWe.

### Nuclear Insurance Increased

The Euratom-inspired Supplementary Nuclear Insurance Convention was signed in January by the Community countries, the United Kingdom, Denmark and Norway. Four other signatories of the OECD Paris Convention on nuclear liability have also signed since then. The insurance provides for joint responsibility among the signatory countries for third-party damages resulting from a nuclear accident up to a maximum of \$120 million.

Euratom's inspection of nuclear installations to ensure the observance of safeguards and control continued during the year as inspection teams visited over a dozen plants.

## ECSC ENDS DECADE

THE EUROPEAN COAL AND STEEL COMMUNITY celebrated its tenth anniversary in 1963 with consolidation in several spheres of its activity and by facing some new and serious problems.

A severe winter increased the demand for coal in the Community which, at 263 million tons for the year, rose about eight million tons above the 1962 level. The general outlook for the Community coal industry, however, remains one of slight contraction and concentration on more efficient methods of production. Higher consumption in the early part of 1963 was met by an increase of some ten million tons in imports from non-member countries and by running down stocks.

In January, the ECSC High Authority authorized a sys-

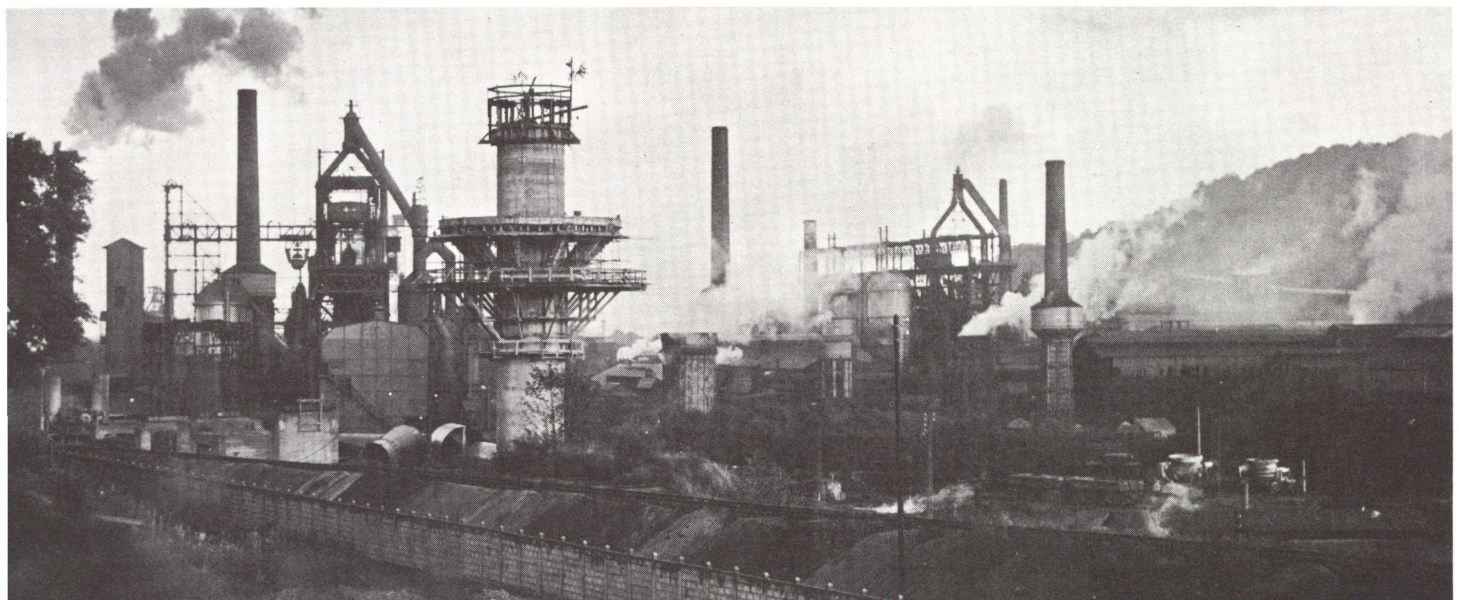


*Inspection Tour: Euratom personnel view construction of the SENN project near Naples, Italy, which entered service during the year under the United States-Euratom Cooperation Agreement.*

tem of two selling agencies for Ruhr coal, replacing three former closely-linked agencies which had been found by the Community Court of Justice to be inconsistent with the ECSC treaty. At the same time, the High Authority authorized a further sales agreement, in the framework of the Belgian coal producers' organization Cobechar, designed to maintain competition and to speed modernization.

### More Aid to Miners

The closure of uneconomic coal mines in 1963 affected 19,500 workers. The High Authority allocated \$3.5 million during the year to aid the miners' transition from coal-mining to other forms of activity. The sum was used to provide tide-over allowances for redundant workers, re-





training facilities and aid for establishing new industries. The High Authority also allocated \$770,000 for the re-adaptation of 3,500 iron-ore miners and \$92,400 for 900 steel workers. The High Authority saw the completion of the 50,000th worker's home built with its financial assistance and contributed over \$8.4 million during the year to research programs on health, safety and technical progress in the coal and steel industries.

Aid for the readaptation of Community iron-ore miners nearly doubled in 1963 when mine closures increased as a result of strong competition from cheaper and higher-quality imports. Forty-seven per cent of the Community's total iron-ore supplies are now imported from non-member countries. German mines were hit most severely and their output dropped from over 13 million metric tons in 1961 to less than nine million metric tons in 1963. Employment in all Community iron-ore mines dropped from 59,000 in 1957 to 47,000 in May 1963. However, productivity is rising steadily and the High Authority is subsidizing technical research on improving the quality of Community-mined ore. The tendency for Community steel producers to rely increasingly on imported ore is nevertheless certain to continue.

### Steel Market Problems Faced

Rapidly rising steel imports and falling prices brought new problems for the Community in 1963. Community steel quotas were fixed in mid-summer for imports from the

Eastern bloc. In December, the High Authority consulted with traditional foreign suppliers regarding the proposed unification of present national steel tariffs to the nine per cent Italian level. (See story page 8.)

The High Authority authorized in July the merger of two of Germany's largest steel firms, August Thyssen-Hütte and Phoenix-Thyssen-Rheinrohr. The High Authority permitted the merger as part of its policy of encouraging more efficient industrial units.

### Energy Policy Talks Continue

The continuing discussions on a common energy policy led to the appointment in May 1963 of a special committee of national energy experts from the Community countries under the chairmanship of the High Authority. The committee examined the practical application of a common energy policy in light of recommendations of the High Authority and the EEC and Euratom Commissions in their joint memorandum of June 1962. A common policy in this field would require modification of the ECSC Paris Treaty in order to subsidize or otherwise maintain Community coal output. Proposals to modify the Treaty have been submitted to the ECSC Council of Ministers by the High Authority and the German government. The Council was unable to agree on any practical move toward a common energy policy at its last meeting in 1963 and is awaiting the completion of a second report by a special committee due next April.

## Commission Reports on Complaints Under Treaty

The EEC Commission announced in November that, between 1961 and October 1963, some 164 complaints had been filed with it by governments and private parties alleging violation of the Rome Treaty.

The Treaty gives the Commission powers of investigation and supervision in this regard.

Among the complaints, 39 came from various government departments and 117 from the private sector. Statistics show that most complaints alleged violation of rules of competition. Other complaints most often dealt with quantitative or other restrictions to trade.

Some 48 complaints were lodged against the government of France, 36 against Germany, and 30 against Belgium. The government of Belgium lodged the most complaints—42—compared to 32 by Germany and 27 by the Netherlands.

The Commission has dealt to date with some 80 of the complaints. In 20 cases substantial violations were found and formal proceedings begun. The Commission itself has intervened in some 34 other complaints.

## Licensing Regulations Investigated

The Common Market Commission has begun investigation of licensing regulations in trade among Community countries. The aim is to abolish licenses both for imports and exports across internal Community frontiers.

## Meat Production Rises

Meat production in the Community countries in 1962 was up 5.52 per cent over 1961. The rise in the Netherlands was particularly steep—11.1 per cent.

## Euratom Sponsors 1964 Research Training

THE EUROPEAN ATOMIC ENERGY COMMUNITY will award several hundred scholarships and research training grants in 1964 to qualified applicants, regardless of nationality.

Scholarships will permit graduate students who lack facilities for experimentation to prepare their dissertations at Euratom centers or at research institutes which have contracts with Euratom. University graduates and young university lecturers will also be eligible for scholarships for special study projects at Euratom and associated centers.

Research trainees will be invited to participate in Euratom research projects for periods up to a year. During the research training period, they will continue to be paid by their original research sponsor. Euratom will provide a special living allowance. As independent scientists rather than Euratom employees, these trainees will be able to publish the results of their experiments.

Euratom will also continue its student training program. Every year about 300 advanced university students participate in Euratom research, administration, and in scientific translation and interpretation work for periods from two months to a year. They receive \$150 a month.

All training program participants will work in a Community country other than their own. Most students and researchers are expected to come from one of the six Community countries, but citizens of non-member nations, especially from developing countries, will be eligible. These research trainees from developing countries may be paid by Euratom rather than their original research center.

Applications are available from the Euratom Commission (Directorate-General for Research and Training), 51, rue Belliard, Brussels, Belgium.



## HIGH AUTHORITY TAKES STEPS TO STRENGTHEN STEEL MARKET

THE HIGH AUTHORITY of the European Coal and Steel Community undertook on January 16 steps to strengthen the Community steel market.

The High Authority, by binding recommendation, asked the member countries to take the following action:

- To align steel tariffs to the current Italian tariff of nine per cent, effective February 15. This temporary measure does not affect tariff positions consolidated under GATT by the Benelux countries and Germany. In addition, the measure allows for certain exceptions.
- To apply a specific duty of \$7 per metric ton on foundry pig iron imports. This measure is also temporary and member states are responsible for its application under GATT procedure.

Although the High Authority recommendations are binding on the six member states, they may appeal to the Community Court of Justice for a ruling if they do not agree with them.

The measures were intended to complement other High Authority's decisions to stabilize the Community steel market.

### Other Steps Outlined

The High Authority recommended on January 7, after consultation with the Community's traditional suppliers, forbidding Community steel producers to cut prices to meet offers from the Eastern bloc. The decision, approved by the ECSC Council of Ministers, will be effective until December 31, 1964. This time period also pertains to quota restrictions placed on Eastern bloc imports.

The ECSC Council of Ministers renewed on December 2, 1963 quota restrictions on steel and pig-iron imports from the Eastern bloc. Under agreements of June 6 and July 15, 1963, imports from these countries will be limited to a total of 430,000 metric tons of pig-iron and 560,000 metric tons of steel products in 1964.

The High Authority approved on December 11, 1963, six decisions to stabilize steel prices in the Community's internal market. These decisions obliged certain steel traders and intermediaries to publish prices, strengthened the application of the non-discrimination principle and established more control on sales made through price alignments. These decisions will enter into force on January 20, 1964.

### High Authority Explains Action

The High Authority, in announcing its January 16 action, explained the reasons for its steps as follows:

"The present situation of the Common Market in steel is one of growing imbalance between supply and demand. During 1963, imports to the Community from non-member countries rose rapidly while production with the Community remained virtually stationary as shown in the following table:

<i>(Crude steel equivalent)</i>	<i>Imports</i>	<i>Production</i>
1961	2,500,000 metric tons	73,244,000 metric tons
1962	3,200,000 metric tons	73,002,000 metric tons
1963	4,700,000 metric tons	73,240,000 metric tons



The increased volume of imports, entering the Community at marginal prices because of the world steel surplus, is effected at marginal prices. The joint effect of the increase in imports, and the low prices at which they are sold, is a constant and growing pressure on the prices charged by Community steel firms on their own internal market. The steel firms are obliged to offer important reductions, through the system of price alignments, in order to maintain their position in the market.

“As a result, receipts of Community steel firms have dropped sharply, which has led to a reduction in the investment plans necessary for the development and improvement of production capacity. In 1963, new declared investment projects were almost insignificant whereas, in both 1961 and 1962, more than \$1 billion was invested. This development presents a grave danger for employment in some regions and hinders the normal working of the Common Market in general.

“For pig iron, the structural evolution which is now underway arouses still more serious preoccupations. This sector has been increasingly exposed to the growing competition of imports. Imports more than doubled from 1954 to 1963 and, from being a traditional exporter of these products, the Community has become the biggest single importer in the world. Figures for pig-iron imports and production are as follows:

	<i>Imports</i>	<i>Production</i>
1961 . . . . .	924,000 metric tons . . . . .	54,041,000 metric tons
1962 . . . . .	1,185,000 metric tons . . . . .	53,715,000 metric tons
1963 . . . . .	1,311,000 metric tons (Est.)	53,204,000 metric tons

“A drop in prices has paralleled the growth in imports with the result that some firms, notably those producing foundry iron, have found themselves in serious difficulties.

### Measures' Effects Gauged

“The High Authority was aware that the measure taken for the internal market would not suffice in face of the present situation and that it was therefore necessary to take other measures directly affecting imports from non-member countries.

“The effect of these new measures will however be fairly moderate. The levels fixed in 1958 for the harmonized ECSC tariff, even when increased as a result of the additional measures of protection, will remain considerably lower than those of other important steel-producing countries whose firms compete directly with those of the Community on both the Community and world market.

“It should be underlined that the action which the High Authority has taken is not such as to impede the construction participation of the Community in the general tariff negotiations to be begun this year within GATT (the ‘Kennedy Round’).

“With the same concern to maintain a perspective of the wider evolution of the world steel market situation, the High Authority has informed the member states of its intention to call an international conference. At this conference, the principal steel producing and consuming countries, and representatives of the interests of developing countries, could discuss together the world problems of the steel market, in order to establish common attitudes toward present and future problems.”

## Committees Study UK-Community Coal and Steel

The Council of Association between the government of Great Britain and the High Authority of the European Coal and Steel Community is reviewing Community coal and steel developments and trade restrictions between the United Kingdom and the Community.

Meeting in September, the Council agreed on the following committee studies:

- The coal committee will study the trends and structures of the coal market in the United Kingdom and the Community. It will examine technical developments in coal utilization, mining, transport and handling of coal, social security systems and their financing. The energy sub-committee will continue to explore the energy situation and problems of United Kingdom and Community coal industries.
- The steel committee will study the structural development of the world steel industries and the steel market. It will also prepare a comparative study of the role of automation in the steel industry and possibilities for co-operation in technical research matters. It will continue working on prices and price comparisons.
- The trade relations committees will study, among other subjects, coal and steel trade restrictions between the United Kingdom and the Community. It will also investigate the harmonization of statistical terminology for external trade and, in conjunction with the steel committee, the problems arising from low-priced steel imports.

## Development Fund to Aid African Projects

Approximately \$2,839,000 will be provided by the European Development Fund to finance social projects in six EEC associated African states—Burundi, Cameroon, Mali, Niger, the Ivory Coast and the Congo (Brazzaville)—under proposals approved in November and December by the EEC Commission.

The Fund will provide approximately \$400,000 to the Kingdom of Burundi to protect the Bujumbura area against flooding from Lake Tanganyika.

The Livermann School at Douala in the Federal Republic of Cameroon will be enlarged by two new buildings costing about \$729,000.

Residents of Sikasso in the Republic of Mali will be ensured of an adequate supply of uncontaminated drinking water through construction of a piped water supply system estimated to cost about \$336,000.

Approximately \$101,000 will be furnished for preliminary studies for the extension and equipment of Niamey Hospital and the rebuilding of Niger's Pharmaceutical depot.

An institute for the training of secondary school teachers will be constructed and equipped at Abidjan, the Ivory Coast, for an estimated \$1,215,000.

## Quarterly Euratom Bulletin Available

“Euratom,” a quarterly bulletin, describes the research and achievements of the European Atomic Energy Community in the peaceful application of atomic energy.

Yearly subscriptions are available in English, French, German, Dutch and Italian by writing Euratom Bulletin, A.W. Sythoff, Post Box 26, Leiden, Netherlands.

# Survey Shows European Citizens More Community-Minded

CITIZENS OF THE EUROPEAN COMMUNITY COUNTRIES are more aware of the Community and its policies than they were a year ago, according to a comparison of two surveys made in the Community a year apart.

The most recent survey, conducted by Reader's Digest, polled 12,500 adults in the Six and Great Britain. Approximately 2,000 persons were interviewed in each country except Luxembourg, where 500 were questioned, in January and February, 1963.

The Digest survey shows that the public's level of general information about the Community has improved 11 per cent since a similar Community Information Service poll in the same months of 1962.

Although most Europeans have heard of the Common Market, surprisingly few were able to name its six member countries correctly. In Britain, 97 per cent said that they knew of the Common Market but only 14 per cent could list its members.

## Luxembourg Best Informed

In the Six, the man-in-the-street's knowledge about the Community is greatest in Luxembourg and lowest in Italy. However, 79 per cent of total Community population are aware of its existence.

Thirty-nine per cent of all Community citizens feel it "is more of an advantage" to their respective countries, as compared to 26 per cent in 1962. The Netherlands stands as the only appreciably pessimistic country with an 11 per cent drop in confidence. Thirty-seven per cent of the British thought that England would benefit from membership.

The 1963 Digest survey indicates that three out of five Europeans find living conditions better since the Community's inception. In general, of the three Europeans, one is apt to be a well-educated employee or civil servant about 21 to 29 years old living in a medium-to-large city. Compared with five years ago, 22 per cent of the citizens of the Six feel living conditions are much better and 38 per cent said that prosperity has risen slightly.

An unusual similarity in attitude toward Community developments appears in the two polls, although the systems and methods of sampling differed in each survey. The measures which received the most continued support throughout the Community were the abolition of custom duties and equal social benefits for all community countries. These two aims also ranked highest with the British.

Support for the mutual recognition of diplomas and professional qualifications among European countries, plus international cooperation in the field of scientific research, placed these measures again in third and fourth place.

## Labor Mobility Endorsed

Free movement of workers received the approval of 63 per cent of those questioned in the Community countries. A common agricultural policy was also favored by a little over half of the Community population. These two measures retained approximately the same support as they received in 1962.

Utilization of taxes for aid to European regions or to undeveloped African countries remained the most unpopu-

lar measures with the public. However, they were better received in Great Britain. The measures which drew main objection from Britain were the community's common agricultural and foreign policies and free movement of labor.

Besides gauging European opinions on the Common Market and its aims, the Reader's Digest study registered the thoughts of Europeans about themselves and their products. Europeans were asked to choose from a list of qualities those which described people in other countries in an effort to statistically verify national stereotypes.

Europeans were first asked to select the qualities which best fit the people of their own countries and, secondly, to pick out the characteristics which suited each of the other countries.

The Germans, Dutch and Belgians saw themselves principally as "hard-working" and "energetic." So did the British who, however, place "reliability" first as their national characteristic.

The Italians visualize themselves as "gay, romantic and amorous"—and then "hard-working." The French, on the other hand, consider themselves to be "hard-working" second only to "pleasure-loving" and then "romantic and gay."

## Impressions Proved Accurate

Instead of proving general impressions to be an incorrect measure of an entire nation, the survey showed that, to the contrary, each country's opinion of itself was generally substantiated by its neighbor. Some variation occurred where "coldness" is inserted for "hard-working" for some countries.

The Dutch do not think themselves as gay as some Italians do. Luxembourg, which contains a sizeable Italian labor force, mentions "hard-working" as the Italians' first attribute.

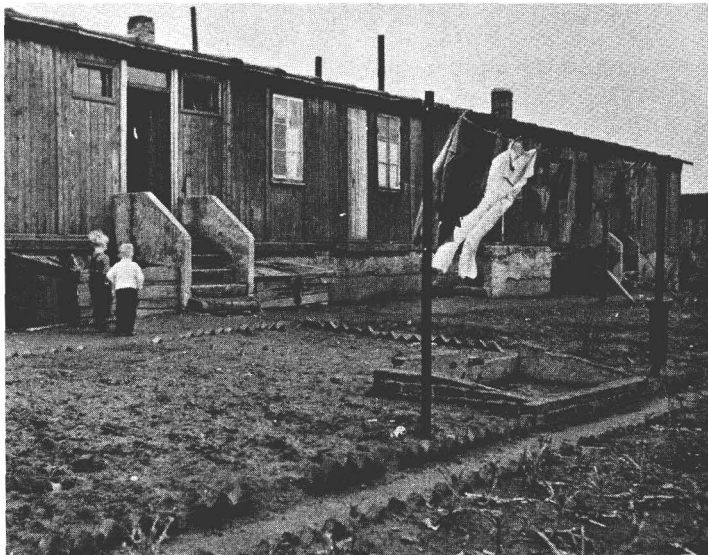
The major portion of the Digest survey is devoted to marketing information which also tells something of the impact of the Community on its citizens. In its summary of appliance and automobile ownership, the survey shows many "status" and labor saving products have been purchased since 1958.

## EEC DURABLES

### Total Ownership and Purchase Since 1958

Newer & "Status" Products	% Who Own	% of Owners Who Bought for First Time Since EEC Began
Transistor Radio .....	17	82
Electric or Gas Refrigerator .....	40	68
Washing Machine with Dryer .....	12	66
Television Set .....	34	77
Electric Floor Polisher .....	5	53
Older Products		
Vacuum Cleaner .....	42	36
Electric Iron .....	81	16
Portable Typewriter .....	9	41
Standard Radio .....	79	14

The survey leads to one important conclusion: That the countries of Western Europe, Britain and the Six (except for Central and Southern Italy) now are very much alike.



*A Better Place to Live: During the last eight years, the High Authority has financed housing construction for over 85,000 coal and steel workers found living in temporary and sub-standard houses, as at left.*

## ECSC High Authority Sees Fifty-Thousandth House Completed

THE FIFTY-THOUSANDTH WORKER'S HOUSE built with the European Coal and Steel Community's financial help was completed last month.

When the current program for construction of another 25,000 homes is complete, the total number of houses built with ECSC High Authority aid will fill a city approximately the size of Boston proper. The total cost of the first 75,000 homes has been estimated at \$750 million, of which the ECSC will have supplied over \$200 million.

The High Authority's programs of building houses for coal and steel workers originated in the serious housing shortage of 1952. The shortage was created and aggravated by World War II destruction, inadequate building methods and relatively high interest rates. In 1958, the High Authority found 45,000 Community coal and steel workers still living with their families in prefabs, Nissen huts and other forms of temporary housing. Another 40,000 families were housed in subnormal conditions—in furnished or unfurnished rooms, in small hotels, or with other families.

The High Authority took its first steps to help housing construction before those figures were compiled, however. In 1954, its first experimental program was launched to improve house building methods and reduce costs. The first actual construction program was inaugurated in 1955.

The High Authority has since helped to build homes for coal and steel workers in the six Community countries through both experimental programs and financial assistance. The first two research programs helped raise productivity in the building industry by work planning and standardization. The third experimental program, now in progress, concerns building large housing centers and aiding community development.

The High Authority provides a maximum of 50 per cent of the total housing program cost. This aid is designed to reduce the global interest rate on capital for house building and, in particular, to encourage housing plans which might not otherwise be undertaken. Regional committees help the ECSC in its work and make sure that the funds are used only for homes for coal and steel workers.

A lower overall interest rate is made possible by the low interest on High Authority loans. These loans usually carry an interest rate of about one per cent, which brings rents and mortgages to a level the workers can afford. In addition, the worker is also able to enjoy a higher standard of living. Workers are encouraged to either rent or buy the houses financed by the High Authority. Over one-third of the coal and steel workers living in these houses now own them.

---

### Krekeler Resigns from Euratom Commission

Dr. Heinz L. Krekeler, member of the Commission of the European Atomic Energy Commission, resigned his office January 10, effective February 29, 1964.

In his resignation, delivered to the foreign ministers of the six Euratom member states, he said he was resigning for personal reasons.

Dr. Krekeler, formerly the Ambassador of the Federal Republic of Germany to the United States, was first elected to a term on the Euratom Commission in January 1958, and was reelected for a second four-years in January 1962. He was primarily responsible for Euratom's foreign relations.

### EEC Commission Studies Community Housing

Diverse tastes and the effect of urbanization in the Community should be considered in assessing housing needs, representatives of the European Community and private industry recommended at a labor housing policy meeting in Brussels December 16-19.

The conferees also suggested studying "critical categories" of the population, such as older persons, large families, young married couples, agricultural families and foreign workers.

The conference participants found housing construction lagging behind industrial production in the Community and rent prices rising faster than the cost of living.



## Community Countries Give Aid to Latin America

The six EEC countries have agreed to finance a major development project in Paraguay in cooperation with the Inter-American Development Bank (IDB).

The project involves the construction of a dam and power station on the Rio Acaray in Paraguay. The contributions of each Community country participating individually will be coordinated at the Community level and emerge as a Community financial plan parallel to that of the IDB.

The IDB's request for Community aid resulted from the Common Market Council of Ministers' decision this spring for Community participation in Latin American development projects through "parallel financing" with the IDB.

## French and Belgian Franc Bonds Issued

French and Belgian franc bonds were to be sold in December and January for the first time in their respective countries by the European Investment Bank to help finance its general lending operations.

The 20-year French bonds, amounting to 60 million francs (\$12 million), were offered by a group of banks, headed by the Bank of Paris and the Netherlands and the National Bank for Commerce and Industry, to insurance and other professional investors.

Bonds totaling 400 million Belgian francs (\$8 million) were to be offered by a Belgian banking group to professional investors.



**europa  
community**

INFORMATION SERVICE WASHINGTON OFFICE  
THE FARRAGUT BUILDING, WASHINGTON 6, D.C.

## PUBLICATIONS AVAILABLE

LES ACCIDENTS DU TRAVAIL DANS L'INDUSTRIE SIDÉRURGIQUE, 1960-1961, *Statistiques Sociales, 1963-No. 3*, Statistical Office of the European Communities, 57 pages, French/German edition . . . . . \$2.00

The results of a survey of accidents to workmen in the steel industry of the European Community during 1961 as compared with figures for 1960.

UNE ENQUÊTE PAR SONDAGE SUR LES FORCES DE TRAVAIL DANS LES PAYS DE LA CEE EN 1960, (RÉSULTATS COMPLETS ET DÉFINITIFS), *Informations Statistiques, 1963-No. 2Bis*, Statistical Office of the European Communities, 281 pages, French/German edition . . . . . \$2.00

A complete survey of the working force of the member nations of the EEC in 1960 including data on employment, unemployment, classification and characteristics of employees, and comparisons with non-EEC countries.

LE MARCHÉ COMMUN DES PRODUITS AGRICOLES—PERSPECTIVES "1970", *Études Série Agriculture No. 10*, 1963, EEC Commission, Brussels, 198 pages, French & German editions . . . . . \$5.00

Analysis of perspectives of consumption and production for agriculture products in the EEC and Denmark, Norway, and the United Kingdom. Prospects are based on the year 1958 and are for cereals, dairy products, beef, veal, sugar, and certain fruits and vegetables.