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COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM

EEC COMMISSION PROPOSES 1964 AGENDA

THE EEC COMMISSION has outlined a general plan of work for the Community in 1964.

The Commission's 1963 proposals to the Council of Ministers for economic coordination will be studied by the European Parliament and EEC Economic and Social Committee in the early months of 1964.

The first proposal on coordinating monetary and financial cooperation advocated the following:

- Creation of a committee of central bank governors.
- Enlargement of the role of the Monetary Committee through prior consultation on all decisions of member states in the field of international monetary relations.
- Creation of a budget policy committee.

The Commission secondly recommended coordinating national economic policies in the medium term—four to five years—providing a framework within which national and Community economic decisions could be taken in awareness of their implications for the Community as a whole. A third directive on capital movements is also envisaged.

The Commission will act on regional policy reports to be submitted in the spring by three panels of specialists. The working groups were set up after the Conference on Regional Economies to study the following:

- Hastening the development of the Community's peripheral areas.
- Infusing new vigor into heavily industrialized areas where main industries are declining.
- Fostering regional development through privileged treatment to firms.

Internal Market Tasks Outlined

The next reduction in internal customs duties is scheduled for January 1, 1965. However, the Commission is faced with various tasks in the internal market.

The Commission intends to set up three semi-permanent panels of experts to aid in the continuous establishment of the customs union. The groups will draw up general customs regulations (suspension or abolition of duties); determine the method of calculating customs value; and draft explanatory notes for applying the common external tariff.

On July 1, 1963, a new 10 per cent cut in internal cus-

tom duties brought the overall reduction since the Community's inception to 60 per cent for manufactured goods and 45 per cent for non-liberalized agricultural products. The second alignment of national tariffs on the common customs tariff also took place on July 1—two and one-half years earlier than stipulated in the Rome Treaty. The cuts were made on the basis of the initial tariff duties, less 20 per cent—the 20 per cent was not negotiated or bound under the GATT. The member governments decided May 22 that this basis of calculation would not apply after December 31, 1965 unless an adequate degree of reciprocity is obtained from the non-member states in the Kennedy Round.

The Commission will continue studies on the impact of customs duties and semi-tariff and non-tariff barriers to trade in the Community. The relaxation of government monopolies will also be considered.

The economic impact of possible industrial tariff cuts will continue to be studied. The findings supplement the customs section files for the Kennedy Round and provide the Commission with a basis for a Community solution to regional industry problems.

Some thirty directives on liberalization of establishment and services are expected to be issued during 1964 and 1965. They will deal with public contracts, wholesale trade, occupations serving industry and transport, banks and other financial establishments, journalists, architects, agriculture,

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retail trade, accountants, the food industries, engineering, mining and quarrying, and manufacturing.

Directives on preliminary harmonization of national legislation and regulations for recognition of degrees, diplomas and other certificates are expected to be presented this year.

Harmonization of technical regulations on obstacles to movement of goods relating to the quality, composition, packaging, marking and inspection of foodstuffs and pharmaceuticals will continue. Work will proceed on the preparation of a European directory of drugs, chemicals and medicinal preparations.

Agricultural Progress Charted

Effective January 1, 1964, quantitative restrictions and equivalent measures were abolished in intra-Community trade in Class 1 fruits and vegetables. Member states ceased to rely on minimum prices for these products. By June 30, the Council is scheduled to formulate rules for the markets' operation and commercial transactions.

On April 15, the Council is expected to fix the cereal price for 1964/65. The Council approved in June the Commission proposal raising the lower limits of barley, rye and maize prices for the 1963/64 marketing year.

The intra-Community levies on processed products—flour, malt, gluten, starch and animal feed—are being gradually reduced in step with the leveling of cereal prices. The levies protecting the processing industry will be cut again by two-fifteenths on July 1 representing a total two-fifths reduction. On the same date, the part of levy on imports from non-member countries maintaining Community preference will be raised from one per cent to four per cent.

The common policy for dairy produce, beef and veal will come into operation on April 1. All producer subsidies for milk and milk products will be abolished by 1970. However, member states may grant direct aids to producers who do not receive the income expected at the target price for milk. The subsidies must be gradually lessened as the market price reaches the target price to be set in 1966.

The EEC ministers of agriculture must still decide on implementation regulations concerning the exact level of guide prices and levies to be used by member states for beef and veal. A common market for rice will be established on July 1 providing levies, a system of import licenses, a safeguard clause and reimbursement for export revenue loss in intra-Community and world trade. Threshold prices in the member countries will be aligned to a uniform level by the end of the transitional period.

By June 1, the Commission is expected to present to the Council, for decision before November 1, a draft regulation applying a Community fats policy. The Council adopted on December 23, 1963, a common fats policy, covering the following points:

- Free import of oil seed and oils at the duty rates of the common external tariff.
- Direct subsidies and a vegetable fats charge to support domestic production.

In addition, the Commission is to submit draft regulations concerning the sugar market and a proposal for Community rules for quality wines produced in certain regions. The Council must decide on four Commission proposals on the alignment of health regulations for trade between member countries of fresh meat, cattle and pigs, fresh poultry meat and meat products and on a proposal for the harmo-

nization of legislation on cocoa and chocolate.

The Agricultural Guidance and Guarantee Fund's contribution to reimbursements and price support will be increased from one-sixth to one-half of the total 1964/65 expenditure. The Fund will derive 80 per cent of its total revenue from member states' contributions and 20 per cent in proportion to each member state's net imports.

Workers Rights to Be Increased

Early this year, the Council approved a new regulation on the free movement of workers (see Council story page 4). Amendments to the previous regulation, which expired at the end of 1963, were proposed by the Commission as follows:

- Equal employment consideration for all Community workers.
- Employment priority for Community workers.
- Acceleration in granting migrant workers the same employment benefits as national workers.
- Right of migrant workers to be elected to unions.
- Right of residence for a migrant worker's family.

On February 1, regulations on widening social security benefits for frontier and seasonal workers became effective. A social security regulation for seamen will be prepared during the year. The coordination of social security plans for the self-employed will also be studied.

A program to harmonize industrial social security benefits will soon be undertaken on the basis of Commission studies conducted in collaboration with industrial and governmental experts on working conditions, health and safety.

During the second half of the year, the Commission will organize a European conference on vocational training. Thirty-six members of the tripartite vocation training advisory committee will be appointed by the end of February. The committee, whose constitution and rules were approved in December, will meet for the first time in March.

The Commission and vocational training experts in the member states will study during 1964 the alignment of training standards, particularly involving freedom of movement. The training of vocational instructors will also be considered.

All pay scale discrimination between men and women will be eliminated by December 31, 1964. Member states first reduced salary disparities 15 per cent on June 30, 1962 and 10 per cent on June 30, 1963.

Transportation to Be Examined

During the year, the Council will begin examination of five Commission proposals forming the basis of a common transport policy. The proposals, submitted in May, would:

- Establish a rate bracket system for goods transported by road, rail and inland waterway.
- Institute a Community quota and standardize licensing procedures for road haulage.
- Harmonize competition and survey infrastructure costs

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COUNCIL DISCUSSES GERMAN PROPOSALS FOR 1964 TASKS

THE EEC COUNCIL OF MINISTERS was scheduled to discuss February 24-25 German proposals to advance European integration in 1964.

The proposals were:

- Development of Community relations with the world through the successful completion of the Kennedy Round.
- Acceleration of internal tariff cuts.
- Harmonization of national taxation systems and further coordination of economic policies.
- Examination of methods for financing the European Economic Community.
- Fusion of the Community executives and strengthening of the European Parliament.

Major Task: Kennedy Round

At the previous Council meeting February 3-5, German Economics Minister Kurt Schmuecker said that the Kennedy Round negotiation was one of the most important Community responsibilities in 1964. He urged the Council to resolve the remaining preparatory questions and to periodically present negotiating directives to the Commission. These directives, he said, should not only consider the Community's objectives but also the legitimate interests of the other negotiation parties.

He said that the successful conclusion of the negotiations would intensify trade with the United States, establish the Atlantic community, increase economic relations with other European countries, and exert a favorable influence on the developing countries. Consequently, he proposed that the Commission inform the Council approximately once a month on the preparations for the Kennedy Round.

Should the Kennedy Round result in considerable tariff reductions and an increase in world trade during 1964, Mr. Schmuecker said that the Community should reduce its internal tariff 20 per cent on January 1, 1965 and 10 per cent on January 1, 1966. (The Community is pres-

ently scheduled for an internal tariff reduction of 10 per cent on January 1, 1965.)

The German Minister suggested a trade policy toward the Eastern bloc countries which would include industrial as well as agricultural products. He also urged enlarging and strengthening contacts with Great Britain and other EFTA countries interested in association or membership in the Community. He called for advancing negotiations with Austria and encouraged contacts with African states seeking economic relations.

Internal Tasks Cited

Concerning the Community's internal tasks, Mr. Schmuecker said "the Community must continue to devote all of its energy to passing from a customs union to an economics union." He pointed out that conformity to the Commission's "action program" would bring the Community closer to the finish of the transition period.

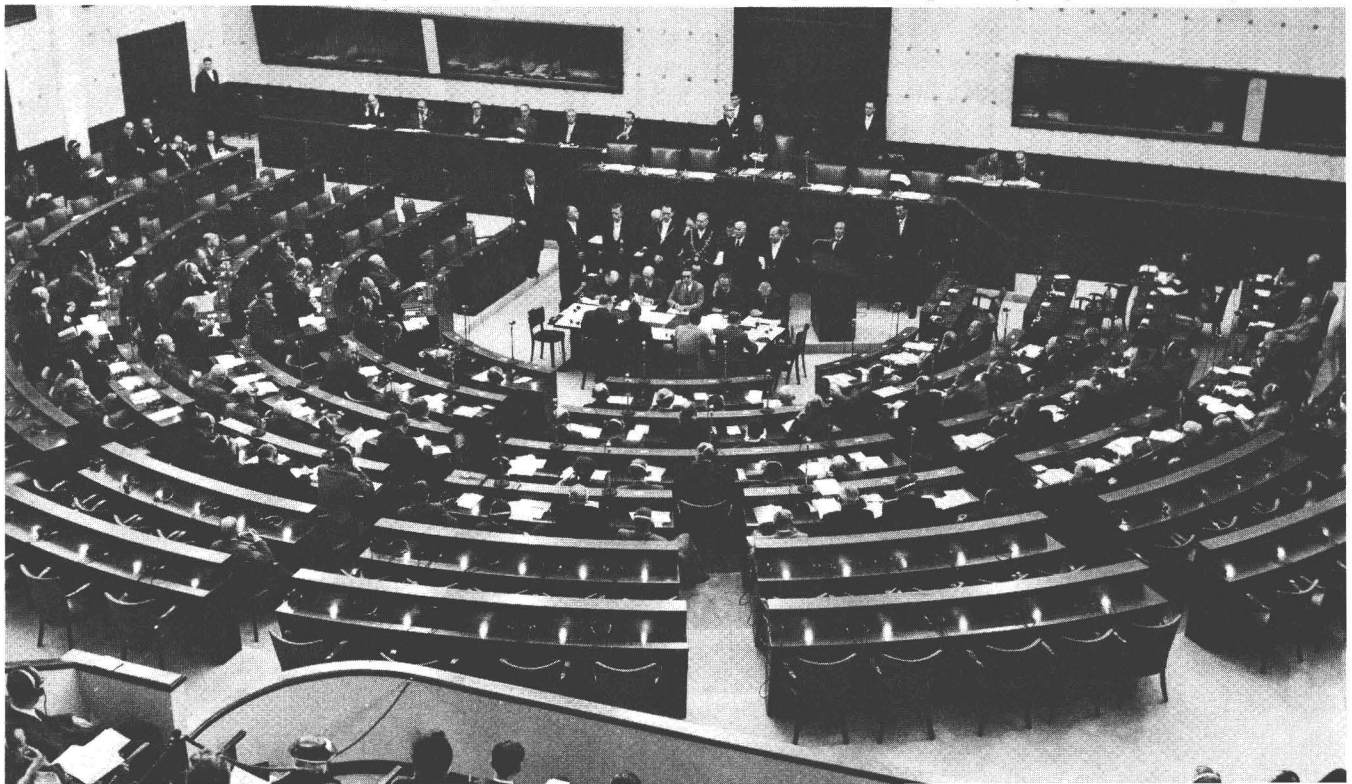
The Community, he said, must assure the harmonious development of the member states' economies by better coordination of economic goals and improved application of economic tools. He also affirmed German's support for coordination of a medium-term economic policy.

Mr. Schmuecker asked for an immediate meeting of the EEC Consultative Committee to assist the Council in making rapid decisions on cartels and complaints registered with the Commission. He also requested the Council to act on the Commission's proposal to harmonize turn-over taxes as part of the overall fiscal policy and advocated the harmonization of fiscal systems in the member states.

Another important Community task stressed by the German government was the common energy policy, beginning with a common policy for each energy sector, particularly oil.

"There still remain a series of other tasks to be accomplished in the domain of internal consolidation," Mr.

Center of discussion: Strengthening of the European Parliament in Strasbourg is a major question facing the Community this year.



Schmuecker said. "I propose to ask the Commission to undertake two or three times a year, a report on the evolution of the integration processes in its meetings to point out the gaps in Community's harmonious development and to form the basis of useful discussion of the problems which it will present to the Council."

EEC Self Financing Proposed

Mr. Schmuecker also proposed examining the question of financing the EEC as set out in Article 201 of the Rome Treaty (revenue accrued from the common external tariff) instead of contributions from the member states.

As a first step to the fusion of the Communities, he urged the merger of the Community executives during 1964.

"I am convinced that the fusion of the executives will reinforce the dynamics and power of the Communities and facilitate the solution of problems common to the three Communities," he said.

He also said that the German government would submit proposals for strengthening the European Parliament with representatives elected by popular vote. "In the national domain, we cannot represent the modern democratic life without participation of the Parliament and a democratic development of the Community is inconceivable without appropriate participation of the Community Parliament," Mr. Schmuecker said.

The Council, composed of the six's agricultural ministers, approved February 5 rules for the Agricultural Guidance and Guarantee Fund's operation and regulations for common markets for rice, dairy products, beef and veal. Provisions governing German commitments to maintain Danish beef imports, financing the Agricultural Fund, and grain market support rules were also adopted.

The Agricultural Fund regulations are retroactive to August 1962 for grains. The other regulations will become effective July 1, 1964. The Council must adopt all the necessary implementing regulations, approximately 100 technical measures, by May 10.

Workers Rule Adopted

At a special session February 6 and 7, the Six's labor ministers approved a new regulation for the free movement of workers within the Community, broadening the provisions of an earlier regulation which expired at the end of 1963. The technical details are scheduled for com-

pletion by the end of February.

The regulation provides employment priority to Community workers before non-member country labor is hired. Employment priority of member state nationals has been abandoned. However, member countries can temporarily grant priority to national workers under Commission approval if a particular region or profession is seriously threatened. A system for publishing full information about Community labor resources and needs will also be established.

Migrant workers will be eligible for office in labor unions after three years uninterrupted employment in one country unless the member country requires a shorter period of eligibility.

Migrant workers will also be accorded the same employment benefits as national workers following a two-year period of regular employment rather than the four years previously required. The worker's family may reside with him. However, the worker must provide adequate housing. Under the old regulation, a worker's wife, and children who were minors, could accompany him to another member country.

The new regulation applies to all categories of workers not included in the original, such as frontier workers and seasonal workers.

The Council suspended the common customs tariff on coffee imports to 9.6 per cent until June 30, 1964. The internal coffee duty will also be suspended for the same period on imports between member states, the associate African countries and Madagascar and the associated overseas countries and territories.

The Council will consult the European Parliament and the Economic and Social Committee on proposed health directives for trade in processed meat products and fresh poultry meat.

The second report by the working group on the coordination of policy on credit insurance, guarantees and financial credits was examined. The Council supported suggestions for increasing the efficiency of the consultation procedure of export credit insurance.

Commercial relations between the Community and Israel were also discussed and the report on exploratory talks with Nigeria was studied. The report will be examined by the Committee of Permanent Representatives for a possible negotiating mandate.

EEC Commission Holds Exploratory Talks with Tanganyika, Uganda and Kenya

The EEC Commission conducted formal exploratory discussions February 10-14 in Brussels with ministers from Tanganyika, Uganda and Kenya, members of the East African Common Services Organization.

Representing the three states were: C. G. Kahama, Tanganyika minister for commerce and industry; J. S. Mayanjankangi, Uganda minister for commerce; and Dr. J. G. Kiano, Kenya minister for commerce and industry.

The first working sessions were under the chairmanship of EEC Commissioners Henri Rochereau and Jean Rey.

The East African governments applied for negotiations on the basis of the declaration of intention issued by the EEC simultaneous with the signing of the African Association Convention in Yaoundé. The declaration noted the importance of inter-African cooperation and listed the

various forms of relationship with the EEC open to African countries with an economic structure and production comparable to the African associates.

The following alternatives are stated in the declaration:

- Accession to the Association Convention.
- Association agreements involving reciprocal trading rights and obligations.
- Trade agreements.

The East African delegation reaffirmed its desire to negotiate on the basis of the second agreement which would be separate from the Convention of Yaoundé. The delegations examined the possible content of the agreement regarding trade, the right of establishment and capital movements, general provisions and decision-making bodies.

GROSS COMMUNITY PRODUCT UP THIRTY PER CENT IN SIX YEARS

THE EUROPEAN COMMUNITY gross product has increased 30 per cent since the Common Market was founded in 1958, compared with 22 per cent in the United States and 16 per cent in the United Kingdom, according to 1963 economic growth statistics published January 25 by the EEC Commission.

The Commission's fourth quarterly survey on "The Economic Situation in the Community" showed that the European Community's economic growth remained strong during 1963, with an increase of 4 per cent in the gross Community product. The year-end report predicted a gross product increase of 4.5 per cent in 1964.

In the six years of the Common Market's existence the industrial production index has risen 41 per cent, the report said. The Community's internal trade has risen by approximately 130 per cent. Imports from non-member countries have advanced 51 per cent and exports 35 per cent. World trade, excluding intra-Community trade, rose by 31 per cent during the same period.

The general standard of living in the Community (real private consumption per head) has increased about 23 per cent since 1959, the report said.

1963 Trends Reviewed

The rise in gross Community product in 1963 was somewhat smaller than the 5 per cent growth between 1961-1962, and the 5.3 per cent growth between 1960-1961, due to slower expansion of production, the report said. However, the economy recovered rapidly during 1963 from its slow start which affected business investment.

Total monetary demand rose almost enough to meet the previous year's level but was partly offset by high prices and an added deterioration in the Community's balance of payments, the report pointed out. It also predicted that the Community will be faced with inflationary pressure unless member countries use budget and credit policies to quickly check the expansion of internal demand.

Internal Demand Expanded

Internal demand continued to expand briskly in 1963, the report said. However, investment in building and construction slackened compared to the preceding year. Although investment recovered in the last six months of 1963, its weakness at the year's start lessened the total demand for investment goods.

Consumer spending by household decreased slightly in 1963. This was mainly confined to the Federal Republic of Germany, where the rise of wages lost momentum and the savings ratio increased. However, the opposite trend prevailed in France and Italy. The volume of private consumption in the Community between 1962 and 1963 rose about five per cent, compared with six per cent from 1961 to 1962.

Increased Community exports to non-member countries contributed greatly to the expansion of total demand in 1963 over 1962. The report estimated that the year's exports increased about 4.5 per cent in value and 4 per cent by volume over 1962.

Imports from non-member countries also rose more rapidly than in 1962, the report said. Imports of goods were up about 10.5 per cent by volume and value com-

pared with 8 per cent between 1961-1962.

Trade between the Community countries expanded even faster, the survey showed, rising about 16 per cent in value of goods as against 14 per cent for 1962. However, the report estimated a possible \$2.8 billion trade deficit in 1963, due to the increase of imports over exports, bringing the total deficit since 1959 to \$4 billion.

Growth To Continue in 1964

The survey forecast continued Community economic expansion in 1964. It estimated that demand—particularly in exports to non-member countries—will increase.

Investment volume is also predicted to grow more rapidly as a continuation of its expansion in the second half of 1963. Normal weather in 1964 should also ensure a rise of investment in building over 1963 and an increase in production, the report said.

The growth of private consumers expenditure will probably slow down somewhat this year, the survey predicted.

Imports Rise Fifty-Three Per Cent

Imports from non-member countries

\$ millions	1958	1963	% Increase
France	4,382	5,547	27
Belgium-Luxembourg	1,674	2,434	45
Netherlands	2,107	2,824	34
Germany	5,465	8,781	61
Italy	2,528	5,128	103
Community	16,156	24,714	53

Exports to non-member countries

\$ millions	1958	1963	% Increase
France	3,985	4,976	25
Belgium-Luxembourg	1,675	1,867	11
Netherlands	1,881	2,306	23
Germany	6,401	9,102	42
Italy	1,969	3,284	67
Community	15,911	21,535	35

Imports from Community countries

\$ millions	1958	1963	% Increase
France	1,227	3,103	153
Belgium-Luxembourg	1,462	2,661	82
Netherlands	1,518	3,059	109
Germany	1,896	4,275	125
Italy	687	2,491	263
Community	6,790	15,589	130

Exports to Community countries

\$ millions	1958	1963	% Increase
France	1,136	3,065	170
Belgium-Luxembourg	1,377	2,950	114
Netherlands	1,337	2,662	99
Germany	2,406	5,279	119
Italy	608	1,788	194
Community	6,864	15,744	129

EUROPEAN POLITICAL UNITY DISCUSSIONS REVIVED

A SERIES OF MEETINGS, proposals, press conferences, and speeches by European leaders has renewed discussion of political unity among the European Community's member states.

At the EEC Council of Ministers meeting February 4, German Economics Minister Kurt Schmuecker urged rapid fusion of the Community's executive branches and strengthening of the European Parliament as first steps toward eventual political union of the Community. The Council was scheduled to discuss these proposals February 24-25. (see page 3).

Erhard Takes Initiative

Renewed talk of political integration began in November 1963 in meetings between German Chancellor Ludwig Erhard and French President Charles de Gaulle.

The subject also was discussed during Chancellor Erhard's visit in the United States with President Lyndon B. Johnson. The communiqué of their December 27-28 meeting read: "The President and the Chancellor agree that the central requirement of the policy of the West must be to increase the strength and effectiveness of the emerging Atlantic partnership. They reaffirmed their conviction that an increasingly unified Europe is vital to this effect."

In his New Year speech to the French people, December 31, President de Gaulle declared that a major 1964 task was "the union of Europe, including as soon as possible the regular and organized cooperation of Germany, Italy, the Netherlands, Belgium, Luxembourg and France in the domains of politics, defense and culture, as will be the case in that of economics."

Chancellor Erhard, in a January 9 speech to the German Parliament, announced that he planned a new initiative to cure the "political malaise which oppressed Western Europe" by proposing a summit meeting of the Six's foreign ministers and chiefs of state.

"Europe must become a political force and achieve greater internal unity," he declared.

Dr. Erhard informed the Parliament that, during their November 1963 meeting, President de Gaulle told him that he "would not offer a new initiative himself" but would be prepared to accept an invitation to such a summit meeting.

Emphasizing Franco-German cooperation, Dr. Erhard said "there would be no Europe, European policy, European integration or Atlantic partnership without this basis . . . the French-German relationship should not be exclusive . . . but gather Europe together."

Dr. Erhard said in his speech that both he and President de Gaulle were "also aware that the Europe of Six was not the final expression of human wisdom."

"We are not expecting an answer from Britain just at the moment, but no one should think we have written off this question," he said.

The Chancellor advocated a strengthened European Parliament with representatives elected by popular vote. "The Common Market Commission," he said, "is a brilliantly effective administrative organ. But the question is—who has final authority? Can national governments and parliaments continue to carry full responsibility when they continue to give up bits of sovereignty?"

Chancellor Erhard carried his ideas for political unity to

London on January 14, where he declared that a united Europe must include Britain.

"I have always been of the opinion that it is no longer possible to regard the Channel as a dividing line," he said. "The concept 'Continental Europe' is a reminiscence of a geographical nature, not a political reality. This is why I have emphasized—at all times and to everyone—that I can picture a Europe that is free and happy only if Britain is part of it."

Chancellor Erhard also stressed the importance of the continuation of contact between the EEC and the United Kingdom within the framework of the Western European Union (WEU).

On the same day, Belgian Foreign Minister Paul-Henri Spaak proposed to the Council of Europe's Consultative Assembly in Strasbourg that Britain be consulted within the WEU on future advance toward political unity.

"Nothing is going to happen before the British election," he said, "and no decision will be taken in Europe before the British have taken up their position." He also called for a political Community organization which would operate in the fields of defense and cultural relations in the same way as the EEC Commission serves the Common Market.

Segni Seeks U.S. Partnership

The following day, Italian President Antonio Segni, in an address to a joint session of Congress, told the United States of his support for a politically united Europe.

"If Europe wants to be strengthened, if it wants to maintain its role and be equal to its tasks in the time in which we live, it must unite politically," he said. "A divided Europe would rapidly become anachronistic and outdated."

President Segni's plan for a politically united Europe would include Britain and, eventually, all non-Communist European countries, he said.

At the WEU ministerial meeting in London, January 23-24, British foreign secretary R. A. Butler repeated Britain's wish to participate from the beginning in any talks of European political union. He said that for Britain to be informed through WEU of discussions among the Six would only enable her to comment on decisions already taken. He expressed the hope that "before a political roof was put on the economic structure (of the Community), consideration should be given to the final shape of the building," explaining that he was thinking of other European countries as well as the United Kingdom.

The final communiqué issued by the WEU ministers January 24 stated that "the closest contacts" should be established between Britain and the Common Market in the forthcoming Kennedy Round of tariff negotiations. It also recommended that similar contacts be made between the Community and Britain's European Free Trade Area (EFTA) partners.

Mansholt Urges Caution

On January 27, Common Market Commission Vice President Sicco Mansholt told the Dutch Council of the European Movement at the Hague that "it would be unrealistic to think that negotiations with Great Britain will start again in the near future. Now that the smoke has cleared in Brussels, we must return to realities. To congratulate our-



President Charles de Gaulle
"Organized Cooperation"



Chancellor Ludwig Erhard
"Europe with Britain"



President Antonio Segni
"Europe must unite"



R. A. Butler
British Foreign Secretary
"What final shape for the building?"



Josef M. A. H. Luns
Netherlands Foreign Minister
"No change in Holland's attitude"



Paul-Henri Spaak
Belgian Foreign Minister
"Nothing before the British election"

discussions. The Federal and Italian governments recommend the further development of the existing European Communities. They consider that the EEC should be supplemented as soon as possible by political cooperation. The ways and means to attain this objective have been discussed. In the first place, the two governments will direct their action toward the strengthening of the European Parliament, an increase in its competences, and the merger of the executives. The two governments are convinced that the future Europe must be democratic and integrated, that it should be based on the Atlantic alliance and open to Britain and the other European countries which adhere to the contents and spirit of the Rome Treaty. They are also determined to intensify their present cooperation in the WEU. Both the Federal government and the Italian government have noted with satisfaction the items on the credit side of the recent agreements in Brussels. The two governments attach a decisive value to a successful result for the Kennedy Round in the intensification of Atlantic cooperation."

De Gaulle Outlines Cooperation Plan

At his January 31 press conference, President de Gaulle declared France's willingness to consider a "practical cooperation project" between the Six and outlined his view of what that cooperation would entail. "We know that the project for the political union of the Six has not yet materialized," he said, "and we also know the reasons why, the opponents formulating three conditions which are, in our opinion, unattainable, contradictory with each other, and tending either deliberately to place Europe under the dependency of America or maintain it in the realm of the brilliant topics of political statements, without its being achieved ever."

"No European union, they say, unless through integration under supranational leadership. No European union, if England does not belong to it. No European union, without its being incorporated in an Atlantic community. Yet, it is clear that not one of the people of Europe would allow their destiny to be handed over to an assembly composed mainly of foreigners. In any case this is true for France. It is also clear that England, which is a great nation and a great State, would accept it less than anyone else. Finally, it is clear that, to merge the policy of Europe in a multi-lateral Atlantic policy would be tantamount to Europe's having no policy itself and, in that case, we do not see why it would want to confederate."

"However, various signs might lead one to believe that the objections raised to the political organization of the Six have lost their virulence. In this respect, the happy conclusion of the negotiations (in December) on the Common Market seem fairly convincing. The force of circumstances having their effect, it is possible that a practical cooperation project between the Six would again appear on the agenda. There would be no doubt that France would then be ready, as she was before, to give it her careful consideration."

During a national conference of the Netherlands Catholic party in Utrecht, February 1, Foreign Minister Josef M. A. H. Luns took a stand on political unity.

"There has been no change at all in Holland's attitude toward a European political union," he said. "The European community must be open with respect to all nations."

selves on the renaissance of Europe is completely out of place."

"The negotiations last December (on farm policy) have not ended the political controversy," Vice President Mansholt said, "although we must not be too pessimistic. The first step has been taken toward a common agricultural policy and we must not listen to those who say that cooperation with the Common Market is impossible because General de Gaulle was victorious at Brussels. We must not abandon our objective out of fear of the General's intentions. The fact that we disagree fundamentally with him must not be an excuse for ceasing our efforts or scuttling the Community of the Six."

Chancellor Erhard also urged caution during a press conference January 29 in Rome, following a meeting with Italian President Segni.

Dr. Erhard suggested informal contacts be taken between the Six toward political unity, urging that care be taken not to influence, even indirectly, the result of Britain's elections.

Erhard-Segni Agree

The final joint communiqué of the Erhard-Segni meeting said: "The European questions were given priority in the



TODAY'S STUDENTS CHALLENGE EUROPEAN UNIVERSITIES

Improved Facilities Needed to Meet Increasing Enrollment

EUROPEAN STATISTICIANS PREDICT a university student population explosion in the Community after 1970.

By that time, approximately 1.5 million students will be enrolled. Rapidly rising living standards will increase both the need and the demand for more facilities of higher education in the Community.

Last autumn, 220,000 young Europeans registered for their first term at one of 75 universities or at specialized schools, colleges or other institutions of higher learning in the European Community countries. Young persons pursuing advanced studies in the Community countries now total nearly 900,000 including students from outside the Community.

France, with 245,000 students, has a larger university population than any other Community country, followed by Italy with 235,000. Germany ranks third with 233,000 students, while the Netherlands and Belgium enroll 50,000 to 28,000 respectively. More than 100,000 students from non-Community countries choose French and German universities predominantly. However, Italy, Belgium and the Netherlands attract, between them, several thousand students.

Each of the six Community countries requires students to have a secondary-school diploma before enrolling for higher education. This diploma is called the Baccalauréat in France, the Maturità in Italy, the Abitur in Germany, the Certificat d'Humanités in Belgium, and Eindexamin Middelbare School in the Netherlands. Students not possessing a diploma can often be admitted to universities under special arrangements.

Not all pupils successfully completing their secondary-school training go on to universities. In Italy, 99 per cent of the graduates continue their education; in Germany, 88 per cent; in France, 73 per cent; in Belgium, 63 per cent; and in the Netherlands, 59 per cent. The Netherlands figure includes only Dutch students entering Dutch universities and does not account for those who study abroad. Only a potential university candidate would normally be expected to pass the Maturità, which explains the large number of Italian students attending college.

European universities have been attracting the young for more than five centuries.

Italy has more universities than any other Community country. The most important of 24 are the Universities

of Rome, Naples, Genoa, Palermo and Turin. France comes next with 21 universities, including three recently established at Rheims, Orleans and Nantes. Another five French universities, now under consideration, may have opened their doors by 1970.

Some of the 18 German universities bear the name of a famous man, such as Gutenberg University of Mainz or Goethe University of Frankfurt. Others are named for a founding prince, such as the Louis-Maximilien University of Munich, the Robert-Charles University of Heidelberg, or the Christian-Albert University of Kiel. As in France, many German technical schools and colleges have university status. While all French and Italian universities are national schools entirely financed by public funds, many German, Belgian and Dutch universities are private institutions. Two of seven Dutch universities—the Calvinist University of Amsterdam and the Catholic University of Nijmegen—are privately financed as are two of the four Belgian universities—the Catholic University of Louvain and the Free University of Brussels.

University Curriculum Specialized

Training in specialized fields, scientific or professional, is a distinguishing characteristic of European universities. A liberal arts degree cannot be obtained in that all general education ends at the secondary-school level.

However, the method of instruction varies considerably from one Community country to another. German universities do not require a core-curriculum for students majoring in a particular field or mid-year exams. The school year is divided into two semesters—the summer term (March 1 to July 31) and the winter term (November 1 to February 28).

In the Netherlands, a curious distinction exists between university enrollment and admission to examinations. Students paying the matriculation and registration fee may attend any classes provided by the university. However, only those students with a secondary-school diploma are eligible for examinations.

Italian students who do not complete their course work or pass their examinations may study for an indefinite period as extramural students. Italian universities contain many special students partly because of required rigorous and heavy course schedules.

Recent statistics show that students tend to choose "international subjects," which are useful in any country, accounting for a rise in the number of students electing science and a relative decrease in those taking law, literature and philosophy. This tendency has been reinforced by efforts in several countries to encourage the study of science due to the shortage of engineers, technicians and research workers. Interest in the social sciences has increased considerably and the number of economics students is growing in most universities.

University fees are lowest in France and Italy—about \$20 a year. In other countries, the yearly cost is considerably higher. At the University of Nijmegen, the Netherlands, students pay nearly \$50. German university fees are about \$140 and Brussels students pay an average of almost \$120. Additional examination fees amount to approximately \$50 in some cases.

Many European students seek outside employment, without the university administration's aid, to help finance

their college training. In Belgium, 20 per cent of all students are employed. In Germany and in the Netherlands, students often work as chauffeurs, waiters or in offices part-time. Between 30 and 40 per cent of the French students teach, tend children, or work night shifts in post offices or railway stations. Sixty per cent of all university students in the Community work some time during the course of their studies.

Scholarships Limited

University scholarships are scarce for the student whose family is unable to support his training. Only 25 per cent of Germany's students receive grants not exceeding \$50 a month. In Belgium, 29 per cent of the students receive grants, which range from about \$20 to \$120 a month. Italy is the least generous of the Community countries in the matter of students' grants. In 1961-62, only 3,500 government and 355 private scholarships were awarded. A law providing grants for particularly promising students from very poor homes was passed February 14, 1963.

France also ranks low with 17 per cent of its students receiving financial assistance. An average of 44,000 scholarships for \$15 to \$90 monthly and 1,500 higher paying grants are given during an eight-month academic year. One of four Dutch students receives a scholarship which ranges between about \$48 and \$95 a month.

Housing Proves Difficult

The student must often search long and hard to find living accommodations. Lodgings provided by the university authorities are insufficient. In France, for example, 10 per cent of the students live in university residences. The same situation exists in Belgium where the universities' 22 residence halls sleep only 2,500 students. Less than a tenth of Germany's student population is accommodated by the colleges.

Most students must therefore rent furnished rooms at a monthly cost of between \$14 and \$17 in Germany, \$20 in Italy, and \$22 to \$25 in Belgium and the Netherlands. A student's room in France runs between \$34 to \$39 a month in Paris and about \$25 to \$31 a month in a provincial university town.

The majority of European students eat in university restaurants for usually less cost than in commercial restaurants. In German university dining halls (Mensa), the main meal generally costs about 40 cents. However, the small commercial restaurants offer a competitive price of 40 cents to \$1 to students who contract as steady customers. The six Belgian universities' dining halls serve meals for about 60 cents each, while a Dutch university student lunches for about 70 cents. French students, however, pay about 25 cents for a main meal in government subsidized university restaurants.

A changing attitude prevails among university students in Europe. The pre-World War II irresponsibility is gone. Today's student is more aware of the value of work due partly to the large married student enrollment. Students' unions are attaining increased importance in Europe. At the beginning of the century, practically no women attended European universities—today, they make up nearly 40 per cent of the student population in the Community countries.

—ANDRE LILTI, *French Correspondent for "Enterprise"*

U.S., U.K. COAL EXPORTS TO THE COMMUNITY CLIMB IN 1963

UNITED STATES COAL IMPORTS to the European Community may have surpassed 20 million metric tons in 1963—compared to 14.3 million tons in 1962—due to falling coal production in the Community countries, according to the Community's statistical office.

Total Community imports for the year were expected to rise to 33 million metric tons—the highest total recorded since 1957. Of the 10 million metric ton increase over 1962, six million were expected from the United States and roughly 2.2 million from Great Britain. The year's total imports from the United Kingdom were expected to reach 5.3 million metric tons compared with 3.1 million in 1962.

An estimated 229 million metric tons of coal were produced in the Community during 1963 representing a reduction of 3.5 million metric tons (1.5 per cent) compared with 1962.

Production for each country was calculated as follows (million metric tons):

	Germany	France	Italy	Netherlands	Belgium	Community
1963	147.5	47.8	0.6	11.8	21.3	229.0
1962	146.4	52.4	0.7	11.8	21.2	232.5

According to the above figures, Germany increased its coal production 1.1 million metric tons over 1962 while France suffered a 4.6 million metric ton reduction due to the loss of output during the miner's strike in February and March of last year. In the other countries, production remained at practically the same level as in 1962.

Output per man-shift in the Community coal mines rose five per cent resulting chiefly from Germany's greater productivity (6.2 per cent over 1962). The Community average rose from 2,229 metric tons in 1962 to 2,331 metric tons in 1963.

The following table shows the countries' improvement in productivity (metric tons):

	Germany	France	Italy	Netherlands	Belgium	Community
1963	2,611	1,959	1,970	2,138	1,818	2,331
1962	2,459	1,922	1,676	2,117	1,818	2,229

Total Community output for 1964 is forecast to reach about 233 million metric tons.

Output per man-shift is expected to increase by an added 4.5 per cent during 1964.

1963 COMMUNITY OIL IMPORTS INCREASE 12 PER CENT

THE EUROPEAN COMMUNITY'S energy requirements and oil imports have been increasing in the past few years as a result of continuing economic expansion, according to a recent EEC Commission report, "Oil and Oil Products Imports in the Community in 1961, 1962 and Estimates for 1963."

Crude oil imports from non-member countries rose 12.6 per cent in 1963 compared with an increase of 11.7 per cent in 1962 (from 110 million metric tons in 1961 to 123 million in 1962 to an estimated 138.5 million in 1963), the report states.

However, the increasing oil output of the Algerian Sahara, considered in the study as a domestic supplier, has lowered the amount of oil needed by the Community from non-member countries, the report shows. In 1963, imports from non-member countries other than Algeria covered 78.5 per cent of the Six's total demand, compared to 79.4 per cent in 1962 and 80.9 per cent in 1961. Crude oil supplies from the Algerian Sahara totalled 13.5 million metric tons in 1961, 18.8 million in 1962 and 24.1 million in 1963. Community oil production remained constant at about 13 million metric tons annually during the three years.

Western Share Declines

Oil purchases from the Western hemisphere, principally Venezuela, increased slightly from 11.1 million metric tons in 1961 to 11.8 million in 1963. However, the Western countries' share of the community market fell from 10.1 per cent in 1961 to 8.5 per cent in 1963.

The Middle East remains the Community's chief supplier of crude oil importing 88.8 million metric tons in 1961, 92.7 million in 1962 and 108.9 million in 1963.

However, its share in total Community supplies declined from 80.7 per cent in 1961 to 75.3 per cent in 1962 and 78.6 per cent in 1963. Imports from African countries excluding the Sahara, negligible before 1961, now enter the Community at an annual rate of about 9.4 million metric tons.

Imports of refined products, a small part of the Community's oil requirements, increased from 14.4 to 21.6 million metric tons between 1961 and 1962. Germany remains the Community's largest importer of refined products (8.8 million metric tons in 1962) followed by the Netherlands (6.6 million metric tons in 1962).

Eastern Bloc Provides Less

The Eastern bloc countries provided the Community with 6.7 per cent of its crude oil in 1961 and 6.6 per cent in 1962. However, absolute tonnage imported rose from 7.4 million metric tons in 1961 to 8.1 in 1962. For 1963, crude oil imports from the Eastern bloc were expected to reach 7.7 million metric tons. In 1961, the Community bought 3.7 million metric tons of refined products from the Communist countries representing 25.7 per cent of the total refined products purchased from non-member countries. In 1962, a total of 4.3 million metric tons of refined oil products were imported and 4.1 million were estimated for 1963.

Total net Community imports of crude oil and refined products came to 10.7 million metric tons in 1962, compared with 9.2 million metric tons in 1961 and continued to meet approximately 6.8 per cent of the Community's demand over the two year period. This per cent of imports from the Eastern bloc was expected by the Commission to remain more or less unchanged in 1963.



COMMUNITY STEEL MARKET SITUATION IMPROVING

January 1964 was an exceptional month for both steel output and new orders registered by Community steel factories, according to figures released by the ECSC High Authority.

Crude steel production reached 6,767,000 metric tons, an increase of 10.3 per cent over the 6,135,000 metric tons produced in January 1963.

The absolute monthly record achieved for Community production was 6,784,000 metric tons in March 1961. Compared with the average monthly rate of output for 1963, January 1964's figures represent a 10.9 per cent improvement. The largest production increase occurred in the Netherlands where output rose 27 per cent above that of January 1963, followed by Germany with an increase of 13.8 per cent, Belgium with 12.4 per cent and France with 10.1 per cent.

CRUDE STEEL PRODUCTION (1,000 metric tons)

	Germany	Belgium	France	Italy	Luxembourg	Netherlands	Total
Jan. 1964	3,011	707	1,623	845	356	225	6,767
Dec. 1963	2,578	664	1,524	835	333	216	6,150
Jan. 1963	2,644	629	1,473	870	342	177	6,135

Orders for rolled steel products registered in January 1964 by Community factories reached 5,797,000 metric

tons—17.8 per cent more than in any previously recorded month. An average of 4.5 million metric tons were registered monthly in 1963.

National market orders rose from 2,993,000 metric tons in January 1963 to 3,572,000 metric tons in January 1964. Orders placed in other Community countries rose from 813,000 metric tons to 1,134,000 metric over the same period. Orders registered in non-member countries remained a high 1,091,000 metric tons. The previous record of 1,096,000 was registered in May 1961.

ORDERS FOR ROLLED PRODUCTS (1,000 metric tons)

	National Markets	Other Community Countries	Non-member Countries	Total
Jan. 1964	3,572	1,134	1,091	5,797
Dec. 1963	3,012	950	960	4,922
Jan. 1963	2,993	813	739	4,545

PRESENT STATUS OF ORDERS (1,000 metric tons)

	Registered Orders	Delivered Orders	Total Orders To Be Filled
Nov. 1963	4,909	4,568	9,530
Oct. 1963	4,828	4,958	9,144
Nov. 1962	4,356	4,532	9,369

12 | A SMALL COUNTRY VIEWS EUROPEAN UNITY

by Professor Nicolas Margue, former Luxembourg Minister of Education

THE PROBLEMS OF EUROPEAN UNIFICATION are bound to appear in a different light to small states than they do to the former great powers.

Some exponents of the European idea have even tended, without much thought, to take a rather condescending view of the smaller countries' surrender of sovereign powers. But the value of the component national entities in this new Europe of equity, freedom and solidarity does not depend on the geographical area they contribute, nor on the number of divisions they can furnish.

The individual Luxemburger is as emotionally attached to his country as the individual citizen of any other member state of the Community. But he does not feel that he will have a dominant say in the ordering of the new Europe.

Benelux Tried Before

Fear of military attack has played quite as great a part as the desire to prevent the recurrence of suicidal wars between her neighbors in Luxembourg's support of European unification. But it should also be remembered that a united Europe formerly existed in theory at least—the Holy Roman Empire, western Christendom. The Luxemburger sees Benelux as an economic reincarnation of the post-Napoleonic Kingdom of the United Netherlands, which came to grief for political reasons in 1830.

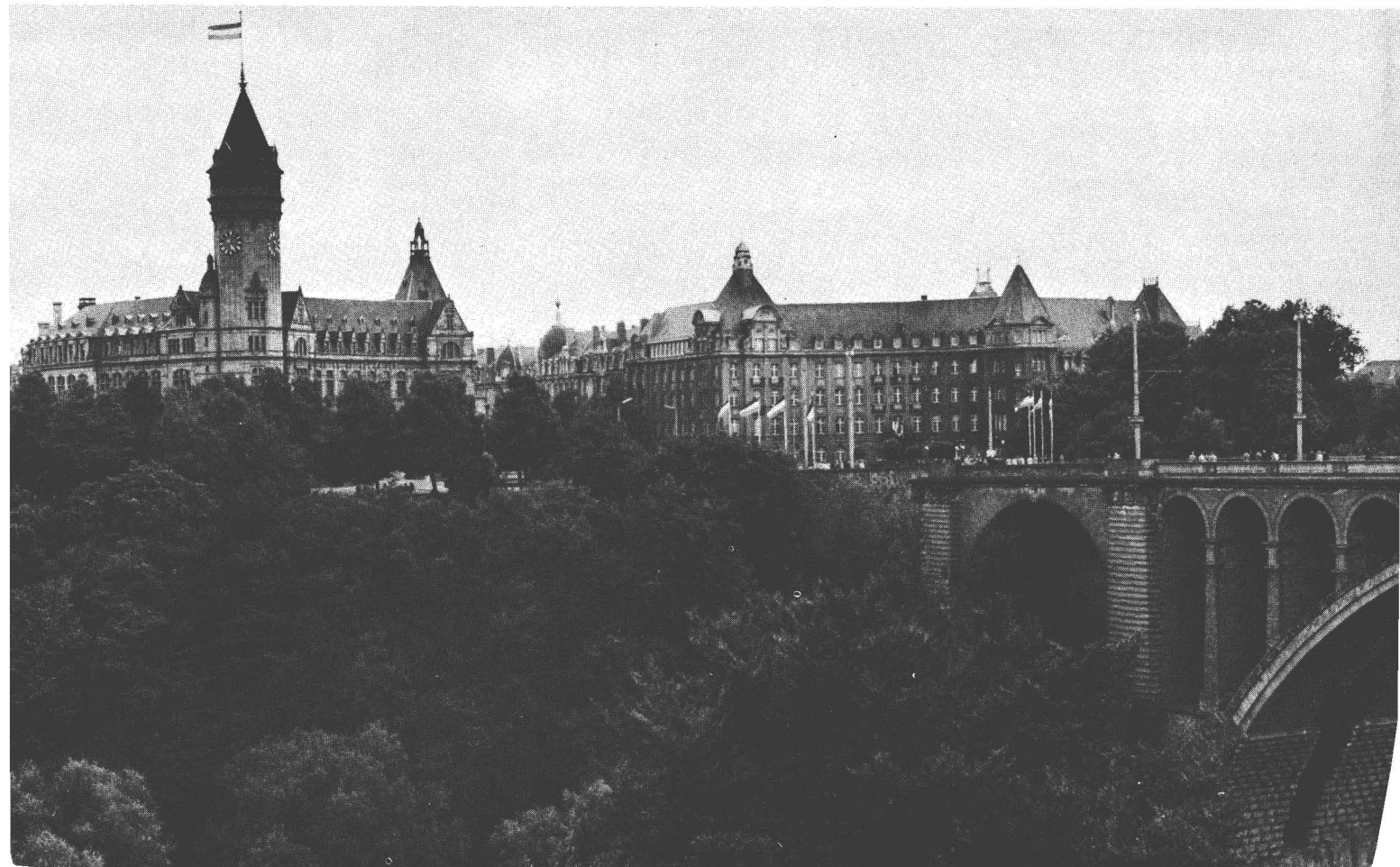
The Imperial system founded by Charlemagne was roughly coextensive with the present Europe of the Six.

Spain, at that time, was ruled by the Moors and what is now Central and Eastern Germany was inhabited by Slavs. Charlemagne's Empire was partitioned among his three grandsons in order to unite the Gallo-Roman-Frankish West and the Teutonic East by a supreme authority reigning between the two in the middle Kingdom of Lotharingia. Of the feudal states arising from the disintegration of the middle Kingdom, Luxembourg stands out as the one which contrived to survive with the greatest continuity. Luxembourg's representatives also played the most notable part in the development of the Holy Roman Empire and the Imperial idea.

Luxembourg: Historical Pivot

Luxembourg's position, as half-way house between the Eastern and Western portions of the Empire (now two separate states), emerged clearly during the Imperial election in 1308. The electors compromised between a French candidate and a German by choosing instead Henry of Luxembourg, characterized as "le plus francais des princes du Saint Empire Germanique." Henry VII, elected to keep the balance between France and Germany, was the last mediaeval emperor to take upon himself the task of winning fresh luster and renewed power for the old Holy Roman Empire. Historians today regard his venture as doomed from the outset—as being against the trend of the times. His contemporaries, among them the poet Dante, a passionate Italian patriot, thought differently. To them,

At the right stands the European Coal and Steel Community's High Authority headquarters, Place de Metz, Luxembourg.



his plans miscarried only because he died too soon.

If a Luxemburger was the last representative of the middle ages on the European plane, another of the same House of Luxembourg, Charles IV, was the initiator of a new age: new conception of Europe. He felt mediaeval forms were void of all practical meaning. Turning his back on the Holy Roman Empire, he postulated a middle European German-Slav Empire centered on Bohemia, with his splendid city of Prague as capital. Under Charles, the center of gravity shifted eastward. His heirs, the Hapsburgs, intensified this process by rounding out their possessions territorially and ethnically. Finally, the last Luxembourg emperor, Sigismund, emerged as a truly European figure. He assumed the defense of the West against Asian encroachment, restored the unity of the Church by ending the Great Schism, and strove to maintain the religious oneness of Christendom against the Hussite heresy.

With the decline of Imperial authority in face of rising nation-states, the Duchy of Luxembourg entered a period of eclipse upon the extinction of its dynasty. During this period which lasted over three hundred years, Luxembourg continued to exist but under alien sovereigns who absorbed its Ducal title in their own until both it and the Empire disappeared in the years of French revolutionary and Napoleonic expansion.

After twenty years as a French department, Luxembourg re-emerged smaller in size although styled a Grand Duchy to form part of the uneasily restored Europe of the Vienna settlement. Luxembourg lived on in that Europe sandwiched between a France in political flux and a Germany thrusting toward unification. It was exposed to the crises and perils of the early twentieth century never benefiting properly from its regained independence and its guaranteed neutrality. Finally, Luxembourg found itself faced with the momentous question of "one Europe."

Unity Supported

Luxembourg was in favor from the very beginning, in spite of its qualms as a small country toward a project which would emerge it in a highly organized community. At the talks on the political statute in Paris, the Luxembourg delegates emphasized, rather paradoxically, that their country wished to maintain itself a polity although not necessary keeping sovereign power. In practice, a sound test of the genuine "European" approach would be how the rights and interests of a small country are treated, with respect or impatience—surely by implication a yardstick of the degree of freedom and equity.

Bilingual Luxembourg has had a claim to be regarded as a political and cultural link between France and Germany from time immemorial. (As early as the eleventh century, there is evidence that the Luxembourg region was bilingual: Germans attended the abbey school of Altmünster to learn French, and Frenchmen to acquire German.) Many Luxemburgers have seen this link as their life's vocation, and at least two persons have been instrumental in the reorientation of Europe—Emile Mayrisch and Robert Schuman. Mayrisch founded the steel cartel. Robert Schuman, a Lorrainer by descent and a Luxemburger by birth and education, became deeply involved in the tangled and troubled affairs of his native region. He realized that this middle kingdom of a thousand years ago, disputed ever since, would have to be fully reconciled



William II of the Netherlands, Grand Duke of Luxembourg during the post-Napoleonic era.

in order to prevent recurrent wars and serve as the basis for a united Europe. Regarding him as one of themselves, the Luxemburgers were his fervent admirers and supporters.

Past experiences have shown that the way to political union in Europe may or perhaps must lie through economic union. Hence, the steel cartel and the Coal and Steel Community form the proper points of departure. All progress in this direction is welcomed by Luxembourg: the predetermined objectives can be steadfastly pursued, without rushing or harassing, leaving the later stages to history. There can be no possible point in trying to iron out the infinite diversity of European thought and culture, to impose a paper uniformity on peoples and countries that have developed individually over the centuries. The European Community must consist first and foremost of the existing states, both large and small.

EEC-Morocco Discuss Future Trade Relations

Exploratory talks on future economic relations between Morocco and the European Economic Community began January 30 in Brussels.

Possible trade arrangements and the Community's contribution to the former French protectorate's economic development were examined by the Moroccan and EEC Commission delegations. Technical cooperation and private and public investment were also discussed.

The Moroccan government delegation was led by Ahmed Reda Guedira, foreign affairs minister. He was assisted by Beiy M. El Gherfij, state under-secretary for agriculture and EEC Moroccan Ambassador Bensalem Guessous. Commissioner Jean Rey, in charge of external relations, headed the EEC delegation assisted by Axel Herbst, director general of external relations.

The delegations will meet when studies concerning the matters discussed have been completed.

Marjolin Presents Inflation and Payments Proposals

EEC COMMISSION VICE PRESIDENT ROBERT MARJOLIN proposed to the European Parliament January 21 in Strasbourg a four-point program to combat inflation and the payments deficit in the European Community.

Vice President Marjolin proposed:

- Limitation of public spending—or tightening of existing regulations—to offset other elements of demand.
- Adoption of management norms in public financing and credit policy to halt excessive expansion of liquidities.
- Cooperation between labor, industrial, agricultural and financial interests in anti-inflationary measures.
- Acceleration of efforts to mobilize productive measures.

Vice President Marjolin cited production cost, consumer prices, and balance-of-payments figures to show that a serious economic disequilibrium could develop in the Community unless member states soon adopt public finance policies.

Economic Expansion Expected

"In light of present trends and policies in various countries," he said, "one could reasonably expect aggregate Community product to expand in 1964 by about 4.5 per cent, compared with 4 per cent in 1963. Production could increase 5 per cent in France and Italy, 4.5 per cent in Germany and the Netherlands, 4 per cent in Belgium and 1.5 per cent in Luxembourg."

He pointed out that, between 1959 and 1963, wage-cost-per-unit of industrial production increased approximately

17 per cent in the Netherlands, 20 per cent in Germany, 21 per cent in France, and 28 per cent in Italy.

"Between 1959 and 1963," he continued, "consumer prices rose 10 per cent in the Netherlands, 11 per cent in Germany, 16 per cent in Italy and 19 per cent in France. The Community's balance on current account has been distinctly weakened in recent years. In 1959, there was a surplus of \$3.5 billion. In 1963, a modest deficit appeared, which could grow as high as \$600 million to \$1 billion in 1964."

Current Payments Surplus Needed

"Until 1962," Vice President Marjolin said, "it was possible to consider a reduction in the current payments surplus as a positive contribution to international monetary equilibrium. This is no longer true, and the danger of deficit has become very real, in that the Community needs a surplus of current payments to finance its long-term exports of government and private capital."

"In fact," he stressed, "the Community's external payments are faced with the inevitable consequences of inflation during the last few years. On one hand, excessive internal demand leads to rapidly increasing imports, and on the other hand, the rise in our production costs weakens our competitive position."

"A favorable business situation throughout the world has for the time being masked the results of increasing costs," he said, "but there will be a rude awakening once the world economy stagnates or even slows down."

Community Experts Discuss Nuclear Ship Propulsion

NUCLEAR SHIP PROPULSION EXPERTS in the European Community met January 17 in Brussels to exchange technical information on their current research plans and experiments.

Participating were experts of the European Atomic Energy Community, its association contract partners, and representatives of the Community member countries.

Details of a pressurized water reactor which will power a 16,000 metric ton experimental bulk carrier were presented by the German delegation. The carrier is presently being built by the GKSS (Gesellschaft für Kernenergieverwertung in Schiffbau und Schifffahrt). Negotiations are pending for possible Euratom participation in the construction of the reactor.

The Italian and German delegations explained their studies for protection of an atomic reactor's containment vessel in case of collision.

Nuclear ship propulsion research under Euratom association contracts with Germany, the Netherlands, and Italy, were also discussed.

General research into the design and operation of reactors at set is being conducted by GKSS at the Geesthacht center near Hamburg. Euratom contributes 60 per cent of the research cost. The main subjects of the experiment are shielding problems and the effects of ship movement on reactor operations. The latter experiments involve

use of a "rolling stand" to simulate a ship's rolling and heaving at sea.

Design of an advanced pressurized water reactor for ship propulsion is being researched by RCN (Reactor Centrum Nederland) in association with Eindhoven Technical University, at Petten, the Netherlands.

Relative merits of two types of pressurized water reactors (neutral and forced circulation) and two types of boiling water reactors (direct and indirect circulation) for the propulsion of a large tanker were compared under Euratom's association contract with Italian Fiat and Ansaldo companies supported by CNEN (Comitato Nazionale per l'Energia Nucleare). The selection of the forced circulation pressurized water reactor as most effective for tanker propulsion completed this first stage of the research contract. The extension of the contract for a second stage is being discussed.

Euratom Commissioner Tours the United States

Professor Paul De Groote, member of the Commission of the European Atomic Energy Community, made a two-week technical tour of the United States February 6 to 20.

He visited nuclear research facilities in the Midwest and on the West Coast to survey recent developments in the civilian uses of nuclear energy.

EEC Commission Proposes 1964 Agenda

Continued from Page 2

in road, rail and inland-waterway transport.

The transportation proposals are being studied by the European Parliament and the EEC Economic and Social Committee who will present their opinions by April, 1964. The proposals will then be considered by the Council. The Commission will supplement these proposals later in the year with measures regarding passenger transportation, the removal of double taxation on road vehicles and the coordination of infrastructure investments.

The Commission is expected to submit a memorandum to the Council on applying the common transport policy to Rhine traffic—a matter which must be decided at the same time as the transport proposals. By June 30, the Commission will also propose measures for applying the rules of competition to road, rail and inland waterway transportation.

The Council of Ministers will consider this spring the Commission's directive for the harmonization of turnover taxes. The finance ministers of the Six discussed in February a report on the application and effects of a common added-value tax system proposed by the Commission.

Early in 1964, a report on questions of principle concerning a European patent convention will be submitted to the member states' governments. The Commission is expected to decide the first individual cases under European cartel law during 1964 and adopt general measures for handling exclusive-dealership agreements.

The Community member countries and at least 15 associated African states are expected to ratify the new Association Convention in early spring. Until that time, the following provisional measures have been extended:

- Gradual elimination of customs duties and equivalent charges.
- Maintenance of reciprocal import quotas at the 1962 level subject to new arrangements under the common agricultural policy.
- Consideration of the associated states interests regarding products similar or competing with those produced by the Common Market countries.
- Maintenance of the freedom of establishment.

Terms for a possible association agreement with Austria will be studied during 1964 and negotiations for a commercial treaty with Israel and Nigeria will be resumed. Discussions on the Community's future economic relations are in progress with Tunisia and Morocco. Preparatory talks will also be conducted with Algerian officials. The Commission will also consider the application of Kenya, Uganda and Tanganyika for some form of association.

Trade Conferences Planned

During the year, the Community will participate in two trade conferences—the Kennedy Round of multilateral negotiations in GATT and the United Nations Conference on Trade and Development.

Contracting Parties still favor May 4 as a beginning date for the Kennedy Round despite the fear of delay due to the complexity of preparations.

The United Nations Conference on Trade and Development will open in Geneva on March 23. The Preparatory Committee met for a third time on February 3. The con-

ference, initiated by the Eastern bloc countries, will deal mainly with trade problems concerning the developing countries and will overlap the work of the GATT Conference. A new international trade and development body may be suggested.

The Community, as well as the member states, will be represented at the conference. In December, the Commission presented to the Council a memorandum on the constructive measure which the Community might propose during the conference.

Agricultural Advisory Committees Approved

The EEC Commission published January 21 its previous decision to establish two agricultural advisory committees.

The committees will consider social problems of the farmer and agricultural labor/management relations, both individually and as they affect agriculture in the Community.

The "Advisory Committee on Social Problems of Agriculture" concerning farm owners and their families working on farms, will consist of 23 members—17 non-salaried farmers, five paid farm workers and one farm family member. Committee members will be appointed for three-year terms by the EEC Commission on proposals from the following organizations: Committee of Community Agricultural Organizations (COPA), Working Party of European Agricultural Workers Federations in the European Trade Union Secretariat of the International Confederation of Free Trade Unions (ICFTU), Working Party on Agriculture and Food in the European Regional Organization of the International Federation of Christian Trade Unions (IFCTU), and European Secretariat of the International Union of Family Organization.

The "Joint Advisory Committee on Social Problems of Paid Farm Workers" will include 34 members—17 paid farm workers and 17 employers.

France-Germany Free Community Apple Trade

Germany and France opened their frontiers to imports of Italian dessert apples at midnight, January 12, averting a possible intra-Community dispute.

Community countries were required to remove all quantitative restrictions on Grade I products by December 31, 1963 under the fruit and vegetable regulation of the common agricultural policy. On December 19, the German government invoked the regulation safeguard clause to protect its domestic producers from an influx of Italian imports. The French government followed suit.

The Common Market authorized France and Germany to suspend most Grade I apples imports until January 12. Italy, with a growing fruit industry, and Germany appealed to the Council of Ministers for new rulings. Germany requested less import exemptions and an extension of the date set by the Commission. However, both governments withdrew their objections when the Council met January 6 to consider the appeals.

Euratom Contracts for Medical Documentation

Bibliographical data and abstracts of nuclear medicine articles will soon be available to the European Atomic Energy Community's Information and Documentation Center through a contract concluded January 29 with

Excerpta Medica Foundation of Amsterdam.

Under this contract, Excerpta Medica will select articles relating to nuclear medicine from the world's medical literature. Copies of the bibliographical data and abstracts will be sent to Euratom Information Center to round out its system of documentation which previously covered 80 per cent of all scientific and technical literature in the nuclear field. The material will be made available to nuclear experts throughout the Community from the Euratom Information Center.

Abstracts of the nuclear medicine articles will also appear in "Nuclear Medicine," soon to be published monthly by Excerpta Medica. It can be obtained by yearly subscription from Excerpta Medica, New York Academy of Medicine Building, 2 East 103rd Street, New York 29, New York.

Community Grants Aid for Greek Road Building

The European Investment Bank will lend the Greek National Road Fund \$15 million for the construction of three roads. Under the association agreement, which became effective November 1, 1962, Greek economic development is encouraged through Community aid to Greece's public investment program.

The three road building plans, costing \$42.6 million, provide:

- Extension of the Athens-Corinth highway 85 miles to Patras.
- Modernization of the Antirrhion-Agrinion road with 45 miles of divided highway.

- Construction of a new 90 mile road between Lamia and Larissa to complete modernization of the Athens-Salonika highway. European Investment Bank aid has also been granted for two Greek emigration plans.

PUBLICATIONS AVAILABLE

LABOR IN THE EUROPEAN COMMUNITY NO. 1, January 1964, 17 pages free

The first of a series which will be published throughout 1964. This issue contains a summary of the Common Market's labor program to date. Also discusses a recent study of collective bargaining in the member countries of the Community.

RAPPORT SUR LA COMPARAISON DU SYSTEME BRITANNIQUE DE SECURITE SOCIALE AVEC LES SYSTEMES DES PAYS DE LA COMMUNAUTE, High Authority of the European Coal and Steel Community, Luxembourg, 1962, 75 pages 50 cents

Report on the comparison of the social security system of Great Britain with the systems for the European Community member countries.

THE ECONOMIC SITUATION IN THE COMMUNITY, No. 3, 1963, European Economic Community Commission, Brussels, 88 pages \$2.00

A quarterly report which analyzes recent developments in the economies of the Six and the Community as a whole. Contains short-term forecasts of economic trends.



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