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COMMUNITY TABLES WORLD GRAIN PROPOSAL IN KENNEDY ROUND

Fruit and Vegetable Regulation Formally Approved

THE EUROPEAN COMMUNITY submitted to the General Agreement on Tariffs and Trade May 17 in Geneva its proposals for a world grain agreement to be negotiated in the Kennedy Round.

Other countries offering bargaining positions for cereals were the United States, Canada, Argentina, Australia, Great Britain and Japan.

The guidelines of the agreement were approved May 14 in Brussels by the EEC Council of Ministers. The Foreign Ministers, meeting under the chairmanship of French Foreign Minister Maurice Couve de Murville, also discussed for the first time the Commission's plan for financing the common agricultural policy. The financial proposal was scheduled for Council debate again June 14-16 and 28-30.

EEC Commission Vice-President Sicco Mansholt hailed the Council's agreement on cereals as "an important step toward the reorganization of the world agricultural market."

Proposals Represent First Offer

The proposals for the world grain agreement were the Community's first offer in the agricultural negotiations of the Kennedy Round. The agreement would comprise binding support levels, setting a world reference price, and fixing special provisions for the developing countries.

The December 1964 decision on common prices for grain made the Community's offer possible. Agreement on cereals in GATT may pave the way for similar arrangements for such products as beef, dairy produce, sugar, and oleaginous fruits and seeds. EEC proposals for the agreements will follow Council decisions on common prices for these products.

Council Faces June Deadline

The EEC Commission's proposal for financing the common agricultural policy was also examined by the ministers of the Six. The Council must decide by June 30 financial arrangements for the common farm policy for the 1965/66 marketing year. The proposal would extend the current financial regulation, which expires on June 30, until July 1, 1967 (the proposed end of the transitional stage).

In addition, the Commission's plan includes far-reaching financial proposals which are expected to occupy the Council for many months. The Commission proposes that the single agricultural market become effective on July 1, 1967. The original financial regulation specifies that proceeds from all

agricultural levies shall accrue to the Community at the beginning of the single market stage.

The Commission has anticipated that additional funds will also be needed to finance the agricultural policy after the end of the transitional period. Therefore, it suggests that proceeds from customs duties on industrial products should begin going to the Community on July 1, 1967. By 1972, proceeds from both agricultural levies and customs duties on industrial products would go directly into the Community treasury to finance all Community expenditures, including the common agricultural policy. At that time, the European Parliament would be given increased powers over the Community budget.

EEC Commission President Walter Hallstein told the Council that the projected development of the Community made adoption of the proposal necessary. Levies on farm product imports should be paid into the Community treasury upon completion of the common agricultural policy, he said. In addition, he pointed out that a balance must be maintained between the industrial and agricultural sectors.

President Hallstein referred to the Commission's earlier proposal that intra-Community customs duties be abolished on July 1, 1967, the date the farm policy becomes operative. On that date, he said, customs duties should begin to accrue to the Community. The Community would thus have its own financial resources, not subject to approval by the national parliaments. To fill this gap, he said, the budgetary powers of the European Parliament would have to be strengthened.

(continued on page 14)

IN THIS ISSUE

page

- 2 Regional Development Policy Proposed
- 3 Parliament Approves Community Self-Financing Plan
- 4 Action Committee Proposes Treaty for Political Unity
- 6 Del Bo Outlines Tasks for Merged Executive
- 8 Community Labor Squeeze to Continue in 1965
- 9 United Europe Declared Heart of U.S. Policy
- 10 Erhard Urges Strong and Democratic Europe
- 12 Nigerian Negotiations Nearing Climax
- 13 Euratom Five-Year Research Program Reorganized

EEC COMMISSION PROPOSES REGIONAL DEVELOPMENT POLICY

THE COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY May 31 in Brussels submitted to the Council of Ministers guidelines for a comprehensive regional policy to ensure the Community's balanced economic growth.

The Commission urged member states to agree on aims and methods for regional development in the Community and coordinate their actions with the Community institutions to accomplish these objectives.

The presentation of the Commission's program was announced by Vice President Robert Marjolin that day in a press conference in Brussels.

Aims at Reducing Regional Gaps

The policy would be designed to ensure better geographical distribution of economic activity and to reduce the differences in living standards between various regions of the Community. The Commission advocated the following methods to carry out the aims of the policy: regional programs, industrial development poles in outlying areas and secondary industrial centers. The European Community, through the European Investment Bank and other financial institutions, would help to apply these policies.

Despite results of member states regional policies, the differences in gross national product per capita which existed between various regions of the Community at the time of its creation have not been significantly reduced. The Commission expects more intense competition and certain consequences of the common agricultural policy to expose the structural weaknesses of various regions which cannot be remedied by the free play of market forces alone.

The Commission proposes that the regional policy take advantage of changes in sources of supply, particularly regarding energy and raw materials, as a result of which the less industrialized regions on the outskirts of the Community are no longer at a disadvantage. In this respect, the policy should lead to the creation in less favored regions of competitive activities compatible with their natural characteristics, so as to check growth in areas of excessive urban concentrations, the Commission said.

Regional Programs Would Form Main Policy Lines

Regional programs, based on detailed studies of economic and demographic trends, would enable the authorities of the member states to develop the main lines of policy to exploit the potentialities of each region. They would also enable better coordination of government and private efforts to be concentrated on developing a few carefully selected areas. The Commission also recommended extending government investment programs over several years to permit a more rational use of resources available for development. It also suggested that private industry cooperate with the member state governments in preparing the programs.

The Common Market's executive branch also urged that these programs be adaptable to the largest number of regions possible. In particular, the programs should concentrate on the following regions: predominantly agricultural areas, agricultural areas affected by structural weaknesses, certain declining areas, areas lying along the frontiers be-



*Robert Marjolin,
Vice President,
EEC Commission*

tween member states and areas adjacent to the Soviet Zone of Germany.

In the large peripheral areas, the Commission suggested as the first step promoting the growth of "industrial development poles". These poles would group industrial activities and complementary services to form a self-sustaining development area. Secondary industrial centers could be developed in the smaller less-favored regions which can benefit from proximity to large industrial concentrations. The regions would be equipped with sufficient communal services to prevent a large exodus of the rural population from the area.

The programs would also serve as a guide to the European institutions both in assessing the regional effects of Community policies for agriculture, transport, and energy, and/or their financial operations.

Member states would in most cases choose the most suitable tools for applying regional policy such as financial assistance and investments in economic infrastructure. However, member states in applying these instruments must respect the provisions of the Rome Treaty.

Community To Assist Financially

The European Communities would assist the member states in executing regional programs through financial aid from the European Investment Bank, European Agricultural Guidance and Guarantee Fund and the European Social Fund. They would also ensure that the needs of regional policy were considered in formulating common policies for agriculture, transport, energy and vocational training.

The Commission proposes to present to the member states implementing recommendations concerning the role of the regional programs, the methods of "development poles" and "focal points", infrastructures, and access of the European Investment Bank to the capital markets of the member states. An action program to aid the member states in planning and executing regional programs by means of financial resources available to the European institutions will also be submitted at a later date. In addition, the Commission will promote cooperation between the national authorities of the member states responsible for regional policy.

Regional policy measures will be considered in preparing the medium-term economic policy to be submitted by the Commission to the Council at the end of 1965.

PARLIAMENT APPROVES COMMUNITY SELF-FINANCING PLAN

Members Vote for Additional Powers of Democratic Control

THE EUROPEAN PARLIAMENT overwhelmingly approved May 12 in Strasbourg the EEC Commission's proposals for Community self-financing by a majority of 76 to zero.

Abstaining were the eight members of the European Democratic Union and two German Christian Democrats. The Christian Democrats declined to cast their ballots until the Commission's proposals could be studied more thoroughly.

The Parliament considered the Commission proposals for increasing the Parliament's powers of control over the Community's budget as inadequate. Its resolution said that the Parliament should be elected by direct universal suffrage by September 1971 at the latest to ensure true democratic control.

The EEC Council of Ministers must still approve the Commission's proposals which are part of the executive's plan for financing the common agricultural policy. The foreign ministers of the member states discussed the plan for the first time May 13-14 in Brussels (see story page 1).

The Commission proposed that proceeds from levies on agricultural imports and duties on industrial products go into one Community fund. Plans for allocating this revenue would be presented by the Commission to the Council and the Parliament for approval or amendment. Under the present system, the Council can approve the Community's budget by a qualified majority vote with or without Parliamentary amendments. The new proposal would require Council recognition of the Parliament's amendments by establishing a strict voting procedure for their acceptance or rejection.

The Parliament's resolution was based on a report prepared by French Socialist member Francis Vals.

It said that the Council of Ministers, as the representative body of the member countries, should have the final word in determining the size and purpose of the Community budget while the six member countries contribute to the Community treasury from their own budgets. "But this prerogative is no longer justified once the budget is provided from the Community's own resources," the report pointed out.

Proposals Called Inadequate

The Commission's proposals are inadequate, the report said, in suggesting that "the Council retain so preponderant a role in adopting a budget which is not financed by the member states" and in giving the Commission power to oppose amendments voted by the Parliament. The report suggested that the Commission inform the Parliament of its objections to any proposed amendment prior to voting so the question could be decided in open session.

The report also urged that the European Parliament be given ultimate control over the budget when all proceeds from customs duties and levies accrue to the Community—January 1, 1972. Consequently, the report points out that the European Parliament should be elected by direct universal suffrage by September 1, 1971, at the latest, to decide the 1972 budget.

President of the Socialist group, Kate Stroebel said that the Commission's proposals not only represented the beginning of a real Community budget but would help advance the cause of political unity. However, she pointed out that for the Community to possess its own financial resources a

new institutional equilibrium within the Community would be required. The Socialists, she said, found the Commission too timid on this question. The new equilibrium would be brought about only by strengthening the Parliament's powers and, above all, by electing it by direct universal suffrage.

Joseph Illerhaus, speaking for the Christian Democrats, approved the Commission's "audacious" proposals. He said that the provision for extending parliamentary power should not be tied too closely to the financial proposals but that it should have been introduced in any case. Mr. Illerhaus called on members to support the Commission's plans both at Strasbourg and in their national parliaments.

Gaetano Martino, representing the Liberal group, described the proposals as a "hinge" between the Community's economic and political planes. The Liberals, he said, also considered the proposals as an entity which could not be split into separate parts. Mr. Martino denied charges by some members of the Parliament that the Commission had exceeded its terms of reference. The question of parliamentary control follows from the Community having its own resources, which in turn is a logical consequence of introducing the common agricultural policy, he said.

Hervé Laudrin, on behalf of the European Democratic Union, charged several previous speakers with "having gone beyond the matter at hand," that is, the common agricultural policy. Mr. Laudrin summarized the problems raised by the policy. By 1967-68, he pointed out, between \$1.2 and \$1.5 billion would be needed to finance the farm policy, while proceeds from farm levies would yield only about \$600 million. Therefore, approximately \$900 million would be additionally required. The Commission proposed raising another \$1.7 billion (through industrial customs duties), for a total of \$2.3 billion, he said, whereas its expenditure would be no more than \$1.5 billion. He said that it was essential to limit resources to needs and criticized the Commission for submitting plans "which would create political difficulties within the Council."

EEC Commission President Walter Hallstein told the Parliament that the proposals were a single entity since the formation of an agricultural common market was linked with the formation of an industrial common market. The idea of applying both agricultural levies and customs duties to Community uses was not revolutionary, he pointed out, and had been suggested during negotiations within Britain.

EEC Commission, Latin American Ambassadors Discuss Trade in Brussels

Latin American ambassadors to the European Communities met May 21 in Brussels with Jean Rey, EEC Commission member responsible for external relations.

Two or three workings groups will examine in several months problems arising from trade between the Community and Latin America. The ambassadors and a Commission delegation also met on April 30 in Brussels, following consultation in January 1964.

ACTION COMMITTEE PROPOSES TREATY FOR POLITICAL UNITY

Gradual Approach Through Community Institutions Urged

THE ACTION COMMITTEE FOR THE UNITED STATES OF EUROPE in a joint declaration May 9 in Berlin urged the Community countries to overcome the obstacles to political union by applying the Common Market's institutional system to foreign policy and defense.

The declaration was adopted at the twelfth meeting of the Committee, which is headed by Jean Monnet and represents non-Communist political and labor organizations of the European Community countries.

The resolution said "the remarkable progress achieved in 15 years proves the soundness of the basic principles, the institutional method and the gradual approach that have made it possible."

The text is reproduced below:

The Action Committee for the United States of Europe is holding its twelfth meeting in Berlin on May 8 and 9 in order to mark a double anniversary:

—May 8, 1945, when Hitler's attempt at hegemony crumbled amidst the ruins of the old Europe;

—May 9, 1950, when Robert Schuman, in the name of the French government, proposed to change the nature of relations between European states by replacing the pursuit of domination by the organization of unity, and in the process to reconcile France and Germany.

Thus it was that Belgium, France, Germany, Italy, Luxembourg, and the Netherlands, being resolved to shake off their centuries-old enmity, and to build a new Europe together, undertook as free nations to form a European Community open to other democratic countries that wished to join.

The Common Market is changing the nature of relations between European states.

The six countries began by pooling their material resources: first their coal and steel industries, then nuclear power for peaceful purposes and, in the Common Market, all their economic activities. They established common rules applying equally to all, and common institutions to which the national states and parliaments agreed to delegate authority. This method was completely new. It has resulted in Community decisions which stem from a permanent dialogue between a European Commission and a Council of Ministers representing national governments.

Europeans are gradually becoming aware that economic questions affecting their daily lives no longer present themselves in a purely national framework which is now too narrow, and are being dealt with on a European basis. They are beginning to see the development of their country and of Europe in a new light.

Already, the making of the new Europe has achieved some remarkable results. The concrete form it has taken is the Common Market, where trade and production are steadily increasing, and trade with the rest of the world exceeds that of the United States.

The remarkable progress achieved in fifteen years proves the soundness of the basic principles, the institutional method, and the gradual approach that have made it possible. They are enabling us to build Europe on the scale required by the modern world.

Economic integration must be completed for Europe to enjoy the full fruits of the Common Market.

The Committee congratulates the Community's institutions on having already succeeded in inaugurating a customs union among the six countries, in establishing a common agricultural policy, and in laying the foundations of a joint economic and financial policy, particularly in the budgetary field.

The Committee calls for a more active policy in the social field.

The questions dealt with in the Common Market are becoming more and more important. As questions that essentially concern the Community, they are subject to no real control by the national parliaments. The European Parliament must therefore be allowed to play a more effective part in the life of the Community, even before it is directly elected and given greater legal powers.



*Jean Monnet,
head of the
Action Committee
for the United States
of Europe*

Among the tasks of the common institutions, the Committee attaches particular importance to a number of interlocking measures which are essential if our countries are to enjoy the full fruits of the Common Market. These, which form part of a common economic and monetary policy, are as follows:

- The establishment of a European Company statute and the pooling of scientific and technical research efforts;
- Action against cartels and the maintenance of working people's rights and the continuity of their employment;
- The creation of a European capital market and the adoption of a common position on international monetary questions;
- The working-out of a joint policy for trade with the countries of the Eastern bloc.

The achievement of political unity depends solely on the will of governments. The procedure could be simple: to apply the method whereby the Common Market was set up.

The Common Market and the fundamental unity of interest which bind the six countries make it possible for them gradually to achieve political union.

The Committee recognizes the political difficulties which at present hinder progress along this path, both over institutions and over foreign and defense policies.

The Committee urges governments to make the necessary

effort to overcome their differences and make possible further progress in unifying Europe.

For its own part, the Committee is convinced that, if the governments willed it, progress in political union could be achieved by applying to foreign policy and defense, if necessary by stages, the institutional system which has enabled our countries to set up the Common Market.

The Committee urges that when the time comes, the governments should act as they did to establish the existing European institutions: they should call an intergovernmental conference to work out a treaty for applying the institutional system of the Common Market by the appropriate means to foreign policy and defense. This treaty should be ratified by the parliaments, after negotiation by the states, as was the case with the Treaties of Paris and Rome.

When the governments have concluded this treaty and the parliaments ratified it, this will open a new period in which European nations will gradually come to treat foreign policy and defense as joint problems, as they already deal with economic questions in the Common Market.

This intermediate period is necessary for real progress to be made in the organization of Europe.

Once they have transformed relations between them in this way and come to speak with one voice on the essentials of policy, the European nations will be able to open the great debate which will ultimately enable them to decide what form a democratic government of Europe is to take.

The inclusion of other democratic countries in the economic and political unification of Europe.

The European Community must be open to those democratic countries of Europe which accept its rules, its institutions, and its economic and political aims.

The Committee reaffirms the special importance it attaches to British membership and to that of the other countries which have asked to join the Common Market.

The cohesion of the West, that is of the United States and Europe, must be maintained.

The consolidation of the European Community as it begins to speak with one voice on important world issues, will make an essential contribution to the cohesion of the West, i.e., of the United States and Europe.

For twenty years, the cohesion of the West has guaranteed Europe's safety. This cohesion must be maintained in order to organize lasting peaceful coexistence with the Soviet Union and to reunite in the European Community the Germans who are now divided between East and West.

How could the USSR and the West achieve a settlement ensuring peaceful coexistence unless Europe and the United States persuade together? How could any settlement be made reuniting the East and West Germans if it lacked the assurances of security which the USSR, Europe and the United States all need?

A uniting Europe and the United States must become equal partners.

For the cohesion of the West to be lasting, equal partnership must be established between Europe and the United States while Europe unites.

Between the separate countries of Europe and the United States, equality was not possible. It is becoming possible in those fields where the European Community already exists. Because of the Common Market, Europe and the United

States are dealing on an equal footing in the Kennedy Round of trade negotiations.

That is why the Committee urges once more that a Committee of Entente be set up between the European Community institutions and the United States government. Its task would be to facilitate the decisions which the European institutions and the U.S. government have to take on matters of mutual concern, such as trade policy, international monetary organization, and trends in the balance of payments and in American investment.

In addition, the Community and the United States should work together to seek solutions for the major problems of an industrial civilization.

At the same time, the Community would examine, in particular with the EFTA countries and Japan, those questions that affect these countries' interests.

In defense and foreign policy, it is equally essential to turn bilateral relations between European countries and the United States into an equal partnership between the United States and Europe. A method of discussion must gradually be worked out between "two separate but equally powerful entities, each bearing its share of common responsibilities in the world," as the Committee declared in its Resolution of June 1962.

The security of the free world can only be guaranteed by the Atlantic Alliance.

On nuclear questions, it is not possible in the present state of things to establish equal partnership between America and Europe. But the Committee considers that the countries of Europe and the United States should as soon as possible seek together ways of arriving, by collective action and in successive phases, at a situation in which the major decisions are taken jointly and the burdens are shared.

This will strengthen the Atlantic Alliance which is vital



A monument to Robert Schuman, founder of the European Coal and Steel Community, was dedicated May 5 in Parc du Cinquantenaire, Brussels.

Participating in the ceremony were Belgian Prime Minister Théo Lefèvre, Belgian Assistant Foreign Minister Henri Fayat, EEC Commissioner Jean Rey and Lucien Cooremans, mayor of Brussels. The dedication was one of many events throughout Europe marking the fifteenth anniversary of the Schuman Declaration.

for maintaining the balance between East and West. It is on this balance that the organization of lasting peaceful coexistence and gradual and effective disarmament both depend.

The organization of lasting peaceful coexistence between East and West and the reuniting of the Germans in the European Community.

The European Community, as it progresses and builds up an equal partnership with the United States, will place relations between East and West in a new context. Its common rules and institutions are a guarantee against unilateral national action. It paves the way for fundamental improvement in relations between Eastern and Western Europe.

The changes should gradually enable the West—the United States and a uniting Europe—to consult with the Soviet Union and the other countries of Eastern Europe in an effort to see the future together and to solve the essential problems of peace.

The Committee is well aware of all the difficulties which must be overcome daily in order to build the European Community, to establish equal partnership with the United States, and finally to organize peaceful coexistence with the USSR and the reuniting in the European Community of the East and West Germans who today are divided.

As is shown by present conflicts, particularly in Vietnam, world peace does not depend solely on the organization of lasting peaceful coexistence between the West and the Soviet Union. But together they possess the greater part of the means of production and devastation which today exist on earth. The creation of a climate of peace between them will facilitate and promote the progress of peace in the rest of the world.



*Dr. Fritz Hellwig,
member of High Authority,
European Coal and
Steel Community*

High Authority Member Visits the United States

Dr. Fritz Hellwig, member of the High Authority of the European Coal and Steel Community, met with iron and steel company executives and government officials during his visit May 25 to 30 in the United States.

Dr. Hellwig attended the seventy-third meeting of the American Iron and Steel Institute at the Waldorf Astoria Hotel in New York. He also met in New York with United Nations officials and businessmen interested in European energy problems.

In Washington, Dr. Hellwig discussed steel questions, the Kennedy Round, and United States-European relations with U.S. government officials. He talked with W. W. Rostow, Chairman of the Policy Planning Council, Robert Schaetzel, Deputy Assistant Secretary of State for European Affairs, and Robert McNeill, Deputy Assistant Secretary of Commerce for International Affairs.

PRESIDENT DEL BO OUTLINES TASKS FOR MERGED EXECUTIVE

Balance of Powers, Industrial Research Stressed

ECSC HIGH AUTHORITY PRESIDENT Dino Del Bo May 11 in Strasbourg charged the future merged Commission with the task of ensuring the balance of powers within the Community.

President Del Bo's remarks were made while presenting the High Authority's Thirteenth Annual Report to the European Parliament.

The High Authority's President called the merger of the three Community Executives (ECSC High Authority, EEC and Euratom Commissions) a new venture for the further progress of economic integration which must combine the best elements and achievements of the Community from 1950 until today.

The merger of the Executives became a reality through the signing of a treaty in Brussels April 8 by the government representatives of Community member countries. The merger is expected to take place in January 1966 following ratification of the treaty by the member states' legislatures.

Treaty Found Lacking

"Yet I must stress," President Del Bo said, "that the treaty as framed by no means measures up to the hopes of those who wished this occasion to serve as a starting-point for further advances in institutional organization, and, above all, balancing of powers within the Community. From this point of view, the new arrangements look somewhat over-

cautious, and even, as regards budgeting, perilously retrograde."

President Del Bo urged that the future single Commission be especially careful to safeguard the principles of the Communities' treaties in concentrating the executive powers in one institution. "First," he said, "it must justify the concentration of powers in its exercise of all the rights vested in it by the text and context of the three Treaties—which means shaping its mode of operation and its internal administration on thoroughly sound principles in order to tackle this new and anything but easy task."

"But at the same time," he pointed out, "it must seek to evolve better procedures for establishing the most reliable and constructive cooperation possible with the European Parliament. In particular, it will need to do so wherever the texts of the Treaties still leave a good deal . . . to be desired."

Fusion of Treaties Called Main Task

The merged Commission's main task, he said, "will be to draw up and present as soon as possible the text of a new treaty to supersede the Treaties of Paris and Rome governing the three present Communities. Only if the six governments can adopt a new treaty will the labors since 1950 be crowned with success."

President Del Bo pointed out that the High Authority has

not yet finished its work as an independent Executive. The Protocol on Energy Policy, signed about 12 months ago, has not disposed of all the problems connected with the establishment of a common energy policy, he said.

"Its preamble clearly indicates that a full solution requires the revision of both the Treaty of Paris and the Treaties of Rome, which means that it can come only after the merger of the Treaties. But we do feel it is of the highest importance that the Community should now possess a real additional weapon of European policy. This provides a base for tackling the gravest and more pressing problems. It provides a basis for new departures in the matter of coal policy. And it provides a basis, too, for progress on oil policy—as is borne out by the consultations recently opened in the EEC, under the terms of the Protocol, on the subject of national programs of state intervention."

President Del Bo indicated that the prime significance of the Protocol lay in its provisions for coal. "It establishes common criteria coupled with Community supervision of colliery subsidizing," he said.

He pointed out that Europe must continue to have its own independent source of coal supplies and subsidies to maintain production at very nearly the same level as today. "Subsidies based on purely national criteria," he said, "would distort competition and very soon completely disrupt the Common Market. Accordingly, at the meeting of the Special Council of Ministers on February 17, the High Authority proposed a number of common criteria for subsidizing collieries. These were accepted, and the High Authority can now authorize subsidies based upon them, subject to the approval of the Council."

"A particularly valuable feature of the Protocol," President Del Bo said, "is that it lays down procedures for consultation on measures of coal policy which are now under way in respect to France and Germany."

Industrial Aid Needs Studying

President Del Bo suggested that the subject of industrial loans should be examined now in the context of the merging of the Treaties and the future powers of the Community institutions. "The High Authority," he said, "employs the proceeds of its levy for readaptation and research, but it also needs to dispose of sufficient amounts for redevelopment aid and for industrial loans in the coal and steel sectors. Unfortunately . . . the development of capital markets has by no means kept pace with the rapid progress of economic integration. This is a particularly serious matter inasmuch to ensure the continued growth of the European economy, it is necessary to establish larger and larger production units and to encourage technological progress in every possible way."

The High Authority President stressed the growing impor-

ance of research particularly as it affects European industry's ability to compete with its rivals in all parts of the world. He called attention to the High Authority's recent proposal for a specialized inter-Executive working party to compare and coordinate research activities in Luxembourg and Brussels.

"Both the Brussels Commissions have agreed to this," he said. "We are now in a position to embark on cooperation whose value is even greater in view of the forthcoming merger. The High Authority is also preparing to work with the EEC Committee on Medium-Term Economic Policy, both on research policy and on its studies in connection with energy forecasting, and with general economic development."

Decentralization Urged

He also emphasized the need for decentralization of decision-making in the merged executive. "Such decentralization will be both possible and necessary where a definite line of policy has been clearly laid down in a given sector, and specific rules have accordingly been adopted for the assessment of individual cases.

He proposed a special body, corporate in character and subject to appeal to a higher level, to decide such matters as cartels and concentrations and transport rates. "It is obvious that any major policy change would be a question for those at the top. But we ought unquestionably to take precautions now against the danger of bureaucratization."

President Del Bo said that "my attitude in submitting the Thirteenth General Report has been one not of regret that our institution's independent existence is to come to an end, but of desire that European integration should proceed by the best and surest road."

Greece-EEC Farm Discussion To Continue

Problems of adjusting Greek agriculture to the Community's farm policy will be discussed in July by the Greece-Common Market Association Council.

The three following questions, remaining from the Council meeting in Brussels May 14, will be considered:

- Duration of preliminary stage for the introduction by the Greek government of Community support methods, such as levies, quality standards and common prices.
- Amount of Community financing for the second stage of adjusting Greek farm policies with those of the Six.
- Formation of a Community tobacco policy.

The EEC Commission has suggested that the first stage of Greece's agricultural harmonization last until the end of 1967. Greece, on the other hand, would like to extend the duration of this preliminary stage. Greece has also requested full participation in the resources of the European Agricultural Guarantee and Guidance Fund or at least specific guarantees for contributions from the Community countries.

During the May meeting, the Greek delegation expressed concern at the Community's delay in formulating a common agricultural policy for tobacco. It re-emphasized the importance of tobacco for the Greek economy and anxiety that the policy could not be approved between now and the end of 1965. The Community delegation confirmed that the Commission was working actively on the policy proposals which it expects to submit to the Council of Ministers before June 30. The Community also agreed to help finance industrialization studies in Greece.



*Dino Del Bo,
President,
ECSC High Authority*

COMMUNITY LABOR SQUEEZE TO CONTINUE IN 1965

Manpower Report Predicts Slight Improvement over Last Year

THE COMMUNITY will continue to be short of labor for its rapidly growing industries this year, according to the EEC Commission's sixth annual manpower report published at the end of April.

The report predicts that strains on labor markets in most member states will persist although they will be less severe than during the greater part of 1964. Labor shortages grew more acute in Germany and the Netherlands and continued in other Community countries last year.

The Commission does not expect any easing of the labor market in Germany. Employment in Italy is likely to pick up as business expands.

Jobs Go Begging

The number of job vacancies in the Community (800,000) is still very high, the report pointed out. However, some member states cannot find workers either trained or willing to fill the positions.

The number of jobless in the Community, except in Italy, is relatively low. Luxembourg has no unemployed workers. The percentage of unemployment in other member countries is as follows: 0.6 in Germany, 0.8 in the Netherlands, 1.1 in France, and 1.6 in Belgium. The unemployment rate rose to 2.8 per cent in Italy last year after declining appreciably in previous years (from 3.6 per cent in 1961, to 3.1 per cent in 1962, and to 2.5 per cent in 1963).

The number of workers employed in Germany in 1965 is expected to increase by 150,000 persons, including 100,000 more foreign workers than in 1964. The Commission expects that the severe strain of the labor market will again create a wide gap between the number of job vacancies and unemployment figures. (At the end of September 1964, only 100,000 unemployed were available to fill 670,000 positions.)

In the Netherlands, the monthly average of unemployed workers may increase slightly in 1965 while the unemployment rate, averaging about 0.8 per cent for 1961-64, is expected to decline. The number of persons employed in private industry should rise by a little less than 2 per cent, compared with about 2.5 per cent in 1964. The net influx of foreign workers is likely to be small, the report said.

Foreign Workers Expand Labor Force

A one to two per cent growth in Luxembourg's industrial production could result in a total increase of employment but at a slower rate than in 1964, the Commission pointed out. The influx of foreign workers, resulting from a successful drive recently to recruit labor from Italy, will again enable an increase in the number of wage-earners. Several thousand workers immigrated to Luxembourg in 1964.

The total number of persons employed in Belgium rose by about 45,000 in 1964. The increase in 1965 is not expected to exceed 30,000, about 1 per cent of the labor force. The report predicted that the manpower reserves of fully unemployed workers, which fell from 32,900 in 1963 to 26,100 in 1964, will dwindle again in 1965. On the other hand, the number of unemployed, including partially and temporarily unemployed, may rise slightly. Employment for the latter group is particularly affected by fluctuations in business activity.

In France, the total number of workers finding jobs this year may increase by about 120,000 or 0.8 per cent, compared to a rise of about 230,000 or 1.7 per cent from 1963 to 1964. The growth of employment is likely to decline first in such sectors as construction and government service which have already expanded their work forces. However, the fairly mediocre business activity predicted for such industries as consumer durables should also inhibit employment. Approximately 30,000 to 35,000 persons will leave the land, the report said. In view of the foreseeable needs of the economy, the annual average of unemployed should be only a little higher in 1965 than in 1964. The average level of unemployment, in these circumstances, should still remain relatively low.

Although Italy's 1965 population growth is expected to be about the same as in 1964 (approximately 500,000), the working population is likely to remain at last year's level assuming net emigration also continues at the same rate as in 1964 (about 115,000 persons). The total number of employed persons will also remain unchanged provided that the number of self-employed and workers in family businesses continues to decline. Therefore, the number of unemployed will be virtually the same as in 1964 (550,000).

Community Labor To Have Priority

To help balance the Community's labor market, member states will begin applying two provisions of a Commission regulation, adopted by the Council in February 1964. The measures provide for equal employment opportunity and treatment for all Community workers regardless of nationality and priority recruitment of surplus Community labor before hiring workers from non-member countries.

A recent estimate of Italian manpower reserves available for employment in the member states is as follows:

	Total Reserves	Laborers
Agriculture	50,000	48,000
Building and construction	45,000	30,000
Metal processing	25,000	6,000
Unskilled workers	65,000	65,000
Not classified	115,000	15,000
TOTAL	300,000	164,000

Automobile production line: Workers in Eindhoven, the Netherlands, equip DAF automobiles.



JOHNSON DECLARES UNITED EUROPE HEART OF U.S. POLICY

PRESIDENT LYNDON B. JOHNSON re-emphasized United States dedication to the achievement of a united Europe and an Atlantic partnership in a televised speech May 7 marking the twentieth anniversary of V-E Day.

The President's first major address devoted solely to Europe was carried across the Atlantic via the "Early Bird" satellite.

Following are excerpts from the President's speech:

"... The United States has committed its resources to European reconstruction; and its military strength to European defense. America has steadily sought the strength of European unity rather than to exploit the weakness of European division. Our policy has had a single aim—to restore the vitality, the safety and the integrity of free Europe. And, with our help, Europe is better able to resist domination—from within or without—than ever before.

"There are some efforts today to replace partnership with suspicion, and the drive toward unity with a policy of division.

"The peoples of the Atlantic will not return to that narrow nationalism which has torn and bloodied the fabric of our society for generations. Every accomplishment of the past has been built on common action and increasing unity.

"Are our people more prosperous? Is peace nearer? Is the future brighter?

Common Action Urged

"If so, it is because we have drawn together the strands of union. And there is no problem we now face which will not yield more easily to common and united action. The kind of nationalism which would blight the hopes and destroy the dream of European unity and Atlantic partnership is in the true interest of no free nation on earth. It is the way back toward the anguish from which we came.

"Of course, there will be differences among us. But they can be resolved through reason founded on respect. Of course, there will be difficulties. But they can be overcome by determination founded on belief. Of course, there will be dangers. But they can be faced by unity founded on experience.

"Let us therefore continue the task we have begun, attentive to counsel but unmoved by any who seek to turn us aside. We will go all together if we can. But if one of us cannot join in a common venture, it will not stand in the way of the rest. Each of our nations will, of course, respect and honor the achievements, and the culture, and the dignity of its neighbors. But we do this better joined in common trust than divided by suspicion. For we have a civilization to build.

"... We have a wide range of economic problems to resolve. Despite obstacles we will continue to press for greater European integration and a freer flow of trade across the Atlantic. We will also devise new proposals to expand world monetary reserves, and modernize the system of international payments.

"... we must begin a new effort to find common instruments for helping the developing world. We are the rich nations in a world of misery. We are the white nations in a colored world. The treasured values of our civilization tell us it is right—morally right—that we should help others.



The lessons of experience and wisdom tell us that if we fail to help now, then some day the tides of unrest will be surging along our own coasts. In fact, they already are there.

"These are a few, and only a few, of the great issues which face us as we move toward the third decade of increasing European unity—and stronger Atlantic partnership.

"My country is engaged in towering and troubling enterprises around this struggling globe. American troops fight to hold back communist aggression in Vietnam. Others try to protect the freedom of the Western hemisphere. In Africa and the Middle East our energies are engaged with the responsibility that great power brings. Everywhere we seek to serve the common interests of the free.

"But the heartbeat of our policy and our expectations is with the nations of the Atlantic.

"We must all—Americans and Europeans—vow never to repeat the errors which have led to disaster: For America to stand proud in isolation, or Europe to fall apart in rancor.

"But it is not enough to keep from past mistakes. We must build the new achievements of our future: A Europe, one in purpose, hope and temper—reaching across the Atlantic to the civilization which it bred and taught, and which Europe now welcomes in common trust.

EEC Commission Proposes Uniform Safety Rules For Chemicals

The EEC Commission submitted to the Council of Ministers in May two safety directives providing for freer circulation of chemicals throughout the Community.

The first directive would begin removing disparities between national regulations of the member states by closely defining chemical substances considered dangerous to the life and health of the population. The directive would list substances as explosive, inflammable, toxic, noxious, corrosive or irritant. It would also list chemical preparations which member states must allow to be imported if they conform with Community rules.

The second directive deals with the classification of dangerous substances and contains provisions on packaging and labelling.



"Strong and democratic Europe": Germany's Chancellor Ludwig Erhard addresses the twelfth meeting of the Action Committee for the United States of Europe May 9 in Berlin. Seated at the speakers' table are (left to right): Chancellor Erhard, Jean Monnet, President of the Action Committee; Willy Brandt, Mayor of Berlin; Mariano Rumor, National Secretary of the Italian Christian Democratic Party; Pierre Pflimlin, Mayor of Strasbourg, and Mario Tanassi, Secretary General of the Social Democratic Italian Party.

ERHARD URGES STRONG AND DEMOCRATIC EUROPE

Advocates Political Unity To Serve World Peace

GERMANY'S CHANCELLOR LUDWIG ERHARD May 9 in Berlin called for a strong and democratic Europe in trustful alliance with its Atlantic partners.

The twelfth meeting of the Action Committee for the United States of Europe provided a forum for his remarks (see story page 4).

"Only through a close union can Europe become strong, and peace can only be ensured by a strong and self-confident Europe in trustful alliance with its Atlantic partners," he said. "To be strong, Europe must be free, and to be free, it must be democratic. A Europe which is strong, free and democratic will also again become a source of intellectual and political inspiration to other countries."

Following are excerpts of his remarks:

"Twenty years ago, on May 8, Hitler's heinous attempt to spread the rule of tyranny he had set up in Germany, over the whole of Europe came to an end. The collapse of the Third Reich terminated an epoch in European history which was characterized by exaggerated nationalism and, at the same time, by a world-wide deployment of power on the part of individual European states. What had started among the European nations over a number of years as a policy of national self-assertion and independence, ended in all of them being plunged into the inferno of two world wars . . .

Council of Europe Created

"The longing for peace and the desire to put an end to the century-old feuds between the European states created an attitude of mind which first of all led to the establishment of the Council of Europe. Then Europe witnessed the grand gesture with which Robert Schuman on behalf of the French government, laid the foundations of Franco-German friendship on May 9, 1950 . . .

"What Robert Schuman had proposed was increasingly translated into reality during subsequent years. The European Communities, undeterred by many difficulties and even

crises, have progressed along the paths planned out for them and have thus come nearer to the objectives set out 15 years ago. Yet, this sense of Community extends to the economic sphere, only, and even there much remains to be completed. It is, of course, logical that the balancing out of national interests and the drafting of a joint policy becomes the more difficult the closer the problems approach the political core of the Community's organization.

"However well the institutional mechanism may function and however wisely and justly power may be balanced and divided among the partners—decisive progress will be achieved only when all concerned can summon sufficient strength of political will actually to create European unison.

Germans Support European Solidarity

"The German people have embraced the idea of European solidarity and of reconciliation with its neighbors, true to the task laid down in the basic law to serve the peace of the world in a united Europe . . .

"We Germans, however, also know that mankind is threatened by weapons with inconceivable powers of destruction. We know the wickedness of tyranny, which to our great distress, was not destroyed with Hitler. We, in particular, appreciate the great value of freedom because a tyranny, symbolized by the wall, withholds freedom from part of our nation. For this reason we desire a strong Europe, a Europe which is a bulwark of peace and freedom. Only through a close union can Europe become strong, and peace can only be ensured by a strong and self-confident Europe in trustful alliance with its Atlantic partners. To be strong, Europe must be free, and to be free, it must be democratic. A Europe which is strong, free and democratic will also again become a source of intellectual and political inspiration to other countries.

"Once Europe has taken shape politically, this is bound to have an influence upon the intellectual and political situa-

tion in the world. And here lies the chance for peace and, at the same time, for the restoration of normal conditions in central Europe. To this extent, the conviction of many Germans is certainly justified that the reunification of this country will be made easier by the union of Europe. This is also the source of the hope of many Europeans that the spirit of freedom will pierce through the wall of slavery, will open up the fronts which divide Europe and make it possible for all European nations to live together in peace and in a manner worthy of mankind.

Essential Goals Cited

“What then are the conclusions a politician must draw from this situation? Permit me to name the most essential:

“First, we must secure peace in Europe and in the world. For this reason, we are setting about building a new order in Europe through peaceful means. We wish to do our part to overcome division throughout the world, and work trustfully hand in hand with our Atlantic partners.

“Second, the organization of Europe must meet the demands of the modern world. Europe must arrive at a joint policy in the fields of economy, research, defense and foreign policy. Its organization must guarantee an inner balance which preserves the identity of its member states, but which also excludes any possibility of national hegemony. Moreover, this order can only be a democratic one, if it is to ensure the co-operation of the nations and the freedom of the individual.

“Third, Europe must be outward-looking. Only thus can it once again become a source of inspiration to others. Only thus, in co-operation with its Atlantic partners, can it contribute toward the abolition of distress and slavery in the world. Only thus will it be possible for those European states who still reject the idea of a united Europe to remain in lively contact with it or—should this not yet be the case—to develop closer relations with this Europe.

“Fourth, the establishment of new order in Europe, the strengthening of economic and cultural contacts with Eastern Europe, and above all trustful co-operation with our Atlantic partners, would consolidate the free world and restore to Europe its historical rank. We are thus serving the peace of the world.

“At the same time, this will also be an effective contribution toward overcoming the partition of Germany and a constant reminder to the four powers to remain conscious of their responsibility for restoring German unity . . .”

European Investment Bank Grants Aid to Turkey

The European Investment Bank concluded a loan agreement May 25 in Brussels with the Republic of Turkey to help finance the construction of a hydro-electric power station in Anatolia.

The power station of 48 MW will supply the Antalya and Lake districts of Anatolia and will provide peak energy for the northwestern compound network. The Bank will contribute \$5 million of the estimated \$10.6 million cost of the project through a 30-year loan bearing a 3 per cent yearly interest rate.

This is the first financial assistance granted to Turkey under its association agreement with the European Economic Community.



PAUL FINET

PAUL FINET, member and former president of the High Authority of the European Coal and Steel Community, died May 18 in Luxembourg.

Mr. Finet's career was devoted to the improvement in workers' conditions and social advancement labor.

Born the son of a miner in 1897 in the industrial area of Charleroi, Mr. Finet began work at the age of 14 in the metallurgical industry. He was active in the trade union movement, first at the local level and then at the regional level.

In 1936, his qualities of leadership and his knowledge of social affairs led to his nomination as national secretary of the Belgian General Confederation of Trade Unions (Confédération Générale du Travail) at a time when the Belgian labor movement was successfully improving working conditions.

During the war, Mr. Finet worked in London for the Belgian government-in-exile. In 1944, he resumed his trade union work, playing an important conciliatory role in the establishment of the Belgian Federation of Trade Unions (Fédération Générale du Travail) of which he was General Secretary until 1952.

Mr. Finet's career at this time turned increasingly to international affairs. He was one of the founders, and first president, until July 1952, of the International Confederation of Free Trade Unions (Confédération Internationale des Syndicats Libres). In this capacity, he also worked in the International Labor Office at Geneva.

In August 1952, the High Authority of the European Coal and Steel Community, established in July 1952 under the Paris Treaty, co-opted Mr. Finet as its ninth member to represent the European labor movement.

As a member of the High Authority, Mr. Finet devoted himself mainly to labor problems. He was chairman of the Mines Safety Commission and was active in the High Authority's social measures, workers' readaptation, and construction of workers' houses. One of his major concerns was to provide a European Code for the miner's profession. He proposed the Code in 1956 in Aix-la-Chapelle. Mr. Finet also chaired the joint committees on the harmonization of working conditions.

NIGERIAN NEGOTIATIONS NEARING CLIMAX

RESULTS OF THE COMMUNITY'S NEGOTIATIONS with Nigeria for an association "sui generis" may portend the pattern of Europe's future relations with Africa.

The outcome of almost two years of trade talks is expected to be decided in mid-June in Brussels by the EEC Council of Ministers (see continuation page 14).

Nigeria, the first Commonwealth African state to seek an association with the EEC, submitted its request in September 1963, followed by three East African Commonwealth countries, Kenya, Uganda, and Tanzania. Nigeria's application resulted from the breakdown of the negotiations for Britain's entry into the European Economic Community at the beginning of 1963.

Negotiations between non-associated African states and the Common Market were made possible by the publication by the Six of a "Declaration of Intent" in June 1963. The declaration enabled independent African states with structures and economies similar to the 18 African associates to accede to the Yaoundé Convention, accept a special association agreement based on reciprocity, or conclude a commercial accord with the EEC (as presently exists for Iran and Israel).

Nigeria Sets Precedent

Nigeria, as well as Kenya, Uganda, and Tanzania, chose the second alternative to negotiate an association "sui generis." The form of this unprecedented accord has begun to emerge from the negotiations which may serve as a pattern for similar African association agreements in the future.

Initial exploratory talks in Brussels in November 1963 revealed that Nigeria would not receive financial aid from the European Development Fund or participate in the institutions of the Yaoundé Convention—the Council of Association, the Parliamentary Conference and the Court of Arbitration. However, both the Nigerian delegation and the Commission agreed that some institutions would be necessary to administer the agreement.

The formal negotiations, which began in February 1965, mainly concerned questions of trade concessions by Nigeria and the EEC. Cocoa beans, palm oil, peanut oil and plywood account for about 22 per cent of Nigeria's total exports to the EEC. The other main exports are rough and sawn timber, peanuts, palm kernels, rubber and cotton.

Quotas To Be Set

The Community offered Nigeria free entry for its products with the exception of the four major exports. The exceptions were made in order to protect the trade interests of the eighteen African associates, many of whom also export these products. The Community suggested that until 1969, the expiration date for both the Yaoundé Convention and the Nigerian agreement, exports of the four products be restricted by tariff quotas. The quota for each of the products would be equal to the average of Nigeria's exports to the EEC for the years 1962-1964. Exports up to the amount of the quota would enter duty free. The EEC would apply the duty for third countries to exports exceeding the allotted amount. The quota would be increased 3 per cent per year until the agreement expires.

Nigeria, on the other hand, offered the Community customs concessions of between 2 and 10 per cent for 26 com-

modities representing about 4 per cent of its total imports from the EEC.

In March, the Nigerian government approved the Community's offer of trade concessions. The EEC Council of Ministers, however, asked that Nigeria increase both the list of concessions and the rates of preference. To comply with the Council's request, Nigeria agreed to modify its offer by speeding up the reduction of duties on about one-third of the 26 products. However, the list could not be increased, the negotiators said.

Several questions still must be decided. These concern capital movements, reciprocal rights of establishment, and the regulation of such services as insurance. The nature of the association's institutions must also be settled.

Nigeria To Safeguard Trade Interests

Nigeria has requested association with the Community in order to safeguard and expand the one-third of its total trade which is conducted with the Community. At the same time, Nigerian chief negotiator Dr. Pius Okigbo said at a press conference in February that Nigeria must not sign an agreement which would harm the other two-thirds of its trade.

Community Proposes Anti-Dumping Policy

The Common Market Commission proposed to the Council of Ministers May 5 a regulation providing protection against non-members' dumping practices, premiums or subsidies.

Current Community laws and regulations providing for protection from dumping, premiums or subsidies vary appreciably from country to country.

The current negotiations in the Kennedy Round necessitate a common attitude in this field. The world-wide tariff cuts urged by the Community would increase the vulnerability of the European economy to abnormal practices. The Commission feels that this is an appropriate time for the Community to set an example by adopting anti-dumping legislation based on Article VI of the General Agreement on Tariffs and Trade (GATT).

The regulation defines dumping, premiums and subsidies, provides for counter-measures and specifies implementing procedures. Under GATT principles the Community may impose anti-dumping or countervailing duties. The duties must not exceed the level of the dumping margin, premium or subsidy granted for the item in question.

Parties affected by dumping practices, such as trade associations or business organizations, could request Community action. If the complaint meets specified minimum conditions, the Commission would consult with the member states and then conduct a technical inquiry.

If the case warrants Community action, the Commission may publish a warning of intention to impose anti-dumping or countervailing charges and propose appropriate protective measures to the Council.

In exceptionally urgent cases, the Commission's draft regulation would allow the Commission to apply a provisional duty on dumped imports in the four days following a request for action. In no case would the anti-dumping or countervailing duty imposed be greater than the level of the dumping margin, premium or subsidy.

EURATOM FIVE-YEAR RESEARCH PROGRAM REORGANIZED

Council Allocates Additional Funds

THE EURATOM COUNCIL OF MINISTERS, meeting with the participation of the foreign ministers of the member states, unanimously approved May 13 in Brussels the modification of the Community's Five-Year Research Program for the period 1963-67.

The reorganization was proposed by the Commission in mid-1964 to offset the effects of inflationary pressures on the costs of equipment and construction since the program was first adopted in July 1962.

The modification places greater emphasis on the Orgel project (for an advanced type of heavy-water reactor consuming natural uranium as fuel), fast breeder reactors, certain joint research center establishments, and thermonuclear fusion. The budget was enlarged by \$5.58 million bringing the total amount of funds allocated for the five-year period to \$455 million.

Community Nuclear Power Production To Triple by 1968

Nuclear reactors are expected to produce 3 per cent of the Community's electricity in 1968 and between 8 and 13 per cent in 1975, according to the Commission of the European Atomic Energy Community.

Although reactors provide only 0.8 per cent of the Community's electricity needs in 1964, the entry into service of reactors in member states in the next few years will greatly increase this output.

Italy presently leads in the installation of power plants with over 600 MWe of nuclear power operating at the end of 1964. The total energy production was provided by the British-built SIMEA 200 MWe plant at Latina, the SENN 150 MWe plant on the Garigliano and the SELNI 257 MWe plant at Trino Vercellese, near Turin. France follows with nearly 150 MWe. The entry into service of the EDF2 plant at Chinon will provide an additional 200 MWe. France will capture the lead in nuclear power production in 1966 through the operation of the 480 MWe EDF3 at Chinon, the 75 MWe EL4 heavy-water reactor at Brennilis, Brittany, and the 266 MWe Franco-Belgian reactor at Chooz. From 1968 on, 500 MWe will be added every five years.

Germany's first large nuclear power plant, the KRB 266 MWe station at Gundremmingen, Bavaria, will begin operating in 1966. Two other large plants, both scheduled for operation in 1968, are also being built. They are the 240 MWe plant at Lingen, Westphalia and the 282 MWe plant at Obrigheim on the Neckar near Heidelberg.

The installed power of Community nuclear plants in service being constructed or planned totals 4,198 MWe. This total is divided between the member states as follows: France, 2,483 MWe; Germany, 917 MWe; Italy 607 MWe; and Benelux, 231 MWe. The Benelux figure includes the planned output of Holland's first nuclear plant, a 47 MWe pilot plant due to operate in 1968.

Euratom Research Program Budget, 1963-67

<i>\$ million</i>	<i>Original Allocation</i>	<i>Modification</i>
JOINT RESEARCH CENTERS		
Ispra	78.60	+8.00
Karlsruhe	28.00	+0.50
Geel	11.32	+1.00
Petten	27.50	-2.00
REACTORS AND ASSOCIATED RESEARCH		
Orgel	57.00	+7.00
Fast reactors	73.00	+9.50
Advanced gas reactors ..	31.00	-0.50
Operation of BR2 (Belgian) materials test reactor ..	12.00	+2.00
Proven-type reactors	29.50	-6.75
Treatment of irradiated fuel	14.00	-8.25
Treatment of radioactive waste	5.00	-2.00
New reactor types	9.00	-2.00
Ship propulsion	7.50	-1.50
FUSION		
Thermonuclear fusion studies	31.00	+3.00
RADIATION		
Radioisotopes	5.00	-2.00
Health protection, biology ..	17.50	-1.50
TRAINING	3.00	-1.00
DISSEMINATION OF INFORMATION		
INFORMATION	9.50	-1.00
RESERVE	—	+3.08
TOTAL	449.42	455.0

Community Home Building Up 10 Per Cent

New Community housing increased 10 per cent in 1964 compared to the previous year, while the number of permits for future building declined.

A total of 1,597,000 dwellings were constructed in the six member countries last year. New buildings permits in the Community fell from 1,946,000 in 1963 to 1,872,000, due to a 29 per cent drop in authorizations in Italy.

COMMUNITY HOUSING UNITS COMPLETED ('000)

Country	1958	1961	1962	1963	1964	Houses built per 1000 population 1958-64
Belgium	49	55	51	45	55	5.6
France	292	316	309	336	369	7.0
Germany	521	566	573	570	623	10.2
Italy	276	313	363	417	447	6.8
Luxembourg	1	2	1	2	—	4.5
Netherlands	90	83	79	80	102	7.4
Community	1,229	1,335	1,377	1,450	1,597	7.9

The decline in Italy's building permits resulted from the economic restrictions applied last year to ease inflationary pressures. New economic policy recommendations, adopted by the EEC Council of Ministers March 30, 1965, in Brussels, encouraged Italy to stimulate investment in construction.

COMMUNITY COUNTRIES AID UNIVERSITY STUDENTS

STUDENTS RECEIVE MONETARY ASSISTANCE from the Community countries on the basis of financial need and previous academic standing.

However, the amount and type of aid differs appreciably among the Six.

Financial assistance to students in secondary and higher educational institutions in Belgium is administered through the *Fonds National des Etudes*. The number of grants issued in the academic year 1962-1963 amounted to 11,844 or a total of \$4.6 million. Individual grants vary between \$100 to \$900 and average \$390 a year. However, the average annual cost of living and studying at a Belgian university is estimated to cost about \$840.

Students' economic needs are determined by the *Fonds* and not by the university. Some students may receive grants from other public authorities and from private foundations, while loans (acceptable in addition to state grants) are provided by provincial and local authorities.

France Favors Grants

In France, financial aid to students is always given in the form of grants. The amount of grants vary from \$148 to \$405 for first-year students and from \$245 to \$615 for third-year students. Nine-hundred post-graduate grants of from \$730 to \$825 are also provided.

Approximately 25 per cent of the students at universities, *grandes ecoles* and technical universities in France receive government financial assistance. The 1963 budget provided for 75,200 grants, 10,200 more than in 1962. Thirty-five per cent of the French students also help finance their education through part-time work.

The amounts of individual awards are fixed by regional committees on the basis of academic qualifications and on financial needs. Social groups such as orphans, invalids, children of teachers and professors are eligible for special aid programs. Free tuition is also available to 30 per cent of all students. Besides the government aid program, loans are also granted. The loans are repayable in 10 years.

During the summer term of 1963, 23.7 per cent of all German university students received public financial support, 47.3 per cent were fully or partially supported by their parents, and 22.2 per cent paid for their education through part-time jobs.

The major form of government aid comes from the Honnef Program for which \$28 million was budgeted in 1964. A beginning university student is given a monthly allowance of \$49 for seven months of the year. The allowance is then increased to \$62 a month. In the last two terms of university study, half of the allowance is given in the form of a loan, repayable in two to seven years following final examinations.

Family Income Determines Aid

Students are eligible for total grants if one surviving parent makes only \$90 a month or both parents have a joint income of \$128. Allowances are made for other dependents. Aid programs are also available for students who suffered financial losses through World War II and students with outstanding academic records. Trade unions, political and religious bodies also assist students.

The Italian student assistance program began in February 1963. It provides for the award on a competitive basis

of grants to cover the length of time needed to prepare for a doctorate degree.

A total of 4,423 students were assisted financially in 1962-63. Approximately 10 per cent of all first-year students and nearly 8 per cent of second-year students received these grants.

Students within commuting distance of the university are granted \$320 annually. Other students are allowed \$537 a year. Only students whose parents' income falls below the minimum tax assessment level are eligible for grants. Grants are not given if other financial aid, such as scholarships or free room and board are provided.

Luxembourg Offers Loans

Luxembourg has no university or equivalent higher educational institution. Loans from public funds are available to Luxembourgers studying in other countries. The loans may be converted retroactively into grants depending on the university student's academic record of financial need.

Approximately 30 per cent of Dutch students received state grants in 1963 for a maximum of \$700 a year. This year, the maximum amount has been raised to \$950. Recipients of grants are also exempted from paying tuition fees.

Loans are also given to a lesser extent. They may be converted into grants on the recommendation of the university. A student can borrow only \$336, although additional amounts may be given up to \$785 without claim of later repayment. Payments on loans begin two years following the completion of studies.

Community Tables World Grain Proposal

(continued from page 1)

He reminded the Council of the Parliament's recent overwhelming vote in favor of the Commission's plan (see story page 3).

Fruit and Vegetable Measure Decided

The Council officially adopted the supplementary regulation for fresh fruits and vegetables approved in principle in February. The new regulation provides for a countervailing charge to be applied to third country imports when their entry price falls below the Community reference price.

Adoption of the regulation was delayed by the difficulties among the Six to agree on a procedure for fruit and vegetable products whose duties are bound in GATT. The following measure was approved: if the introduction of the countervailing charge should provoke action from other contracting parties in GATT, the Council will decide on measures to be taken under Article 111 of the Rome Treaty, concerning relations with third countries. Proposals or recommendations on the appropriate measures will be submitted by the Commission. Decisions to deconsolidate the duties bound in GATT must be made by the Council.

The Council postponed until June 14-16 approval of a final mandate for the conclusion of negotiations with Nigeria after failing to change the Community's request for additional trade concessions. Nigeria has refused to increase her list of 26 products for reduced customs duties (see story page 12).

EEC Commission Considers Oil Policy Problems

The EEC Commission began examining in May the general problems to be considered in a Community policy for oil and natural gas.

This was the first time that the Commission has studied questions other than the maintenance of minimum oil stock levels, tariffs and the French oil monopoly.

The following problems are envisioned in achieving a common oil policy for the Community countries:

- Ensuring security of supply by diversification of sources of oil and natural gas, encouragement of domestic supplies, consideration of a common commercial policy and agreements with producing countries.
- Encouraging Community output through a common system of fiscal concessions and state aids, which should also apply to Community companies operating outside the Common Market.
- Applying the Rome Treaty to form a single oil and gas market by introducing the free movement of goods and the right of establishment and by abolishing the French government monopoly, restrictive standards in distribution, and discrimination in granting oil rights.

Oil pipeline questions and Dutch policy on the supply of its natural gas to neighboring countries would also be examined within the scope of the common policy.

Community Coal Output Declines

Community coal output of 78.5 million metric tons for the first four months of 1965 dropped 4.3 per cent over the same period last year, according to the High Authority of the European Coal and Steel Community.

The reduction affected all coal producing countries in the Community. However, the 8.8 per cent decline in Belgium amounted to twice the reduction of output for the entire Community.

Although coal output has been falling slightly, pit-head stocks have risen rapidly to reach 21.8 million metric tons in the first week of April. This is the highest level attained since 1961 when stocks reached nearly 25 million metric tons.

Consultations on coal policy are currently being conducted between the ECSC High Authority and the French and German governments to decide measures to counteract the present difficulties. Discussions with other governments of the Six are expected to begin soon.

Nuclear Industry Firms Participate in Euratom Meeting

Two-hundred and seventy-five Community electricity producers, nuclear plant builders and suppliers reviewed from May 31 to June 1 in Brussels the year's results of the European Power Reactor Participation Program.

The delegates attending Euratom's fifth information meeting represented 135 Community firms and organizations. A total of 34 lectures were presented on the problems and

progress of building and operating the five power reactor projects included in the Power Participation Program.

The Participation Program began during the first Euratom five-year research and development program to encourage the construction of industrial-scale nuclear power plants and disseminate the results of experience with design, construction and operation of such installations. Contracts have been signed under this program totaling \$32 million with five Community firms constructing power plants.

Two of the reactors, the SIMEA at Latina, Italy, and the SENN at Garigliano, Italy, have produced 2,311 million Kwh and 1,100 million Kwh of electricity respectively since they began operating up to April 30, 1965. The SIMEA went critical in December 1962 and the SENN began operation in July 1963. The reactor vessel, steam generators and pressurizer for the SENA reactor at Chooz on the Franco-Belgian border have been installed. The reactor is expected to go critical in mid-1966. Site work for the SEP reactor at Doodewaard, the Netherlands, began in October 1964. The reactor is scheduled for operation in 1968. The KRB reactor at Gundremmingen, Germany, is due to become critical in May 1966.

The SENA, KRB and SENN reactors have been accepted under the U.S.-Euratom joint program for cooperation in building nuclear power plants of 'proven' types.

Recent Books on Community Topics

EUROPEAN COMMUNITY will periodically list books dealing with Community and Atlantic topics. This presentation does not indicate approval or recommendation of the publications.

Wasserman, Max J., Hultman, Charles W., and Moore, Russell F., *The Common Market and American Business*, New York, Simmons-Boardman Publishing Corporation, 1964, pp. 300.

A concise survey of the nature, characteristics, functioning and business opportunities of the European Economic Community. This study includes information on availability of labor, anti-trust and tax laws, agricultural policies, capital markets and other pertinent topics. A final chapter appraises future prospects for business in the Community.

Despicht, Nigel S., *Policies for Transport in the Common Market*, Sidcup, Kent, England, Lambarde Press, 1965, pp. 308.

A detailed account of the problems of the common transport policy in the European Economic Community. After a brief commentary on the general problems raised by economic integration and the provisions of the Rome Treaty for transport, the author discusses the Action Program for a common transport policy and the proposals of the Commission for putting this into practice.

Lukacs, John, *Decline and Rise of Europe*, Garden City, New York, Doubleday and Co. Inc., 1965, pp. 295.

The author tries to define what "Europe" means and to explain the development of a European consciousness. The first three chapters are devoted to a historical background of Europe during the last 20 years. Mr. Lukacs then discusses the idea of "Europe" as it has evolved throughout the last centuries and the new relationship between America and Europe. He also evaluates the role a new Europe can play in the world.

PUBLICATIONS AVAILABLE

THE ECONOMIC SITUATION IN THE COMMUNITY, NO. 1, March, 1965, European Economic Community Commission, Brussels, 94 pages \$2.00

An analysis of the economic situation during the first quarter of 1965 along with forecasts of economic prospects for the entire year. Includes charts on wages, productivity and labor costs per unit in the Community, the United States, and the United Kingdom.

FINANCIAL REPORT FOR THE YEAR 1964, NO. 10, The High Authority of the European Coal and Steel Community, Luxembourg, 1965, 21 pages free

LES SALAIRES NOMINAUX DANS LES MINES DE HOUILLE ET DANS LA SIDÉRURGIE, COMPARÉS AVEC CEUX DES AUTRES INDUSTRIES (1953-1963), *Statistiques Sociales* 1965, No. 1, Statistical Office of the European Communities, Brussels, 97 pages, French/German/Dutch/Italian texts \$2.00

A survey of the wage rates in coalmining and the iron and steel industry compared with those in other industries from 1953 to 1963. Compares each EEC member country individually.

SALAIRES CECA, 1963, *Statistiques Sociales* 1965, No. 2, Statistical Office of the European Communities, Brussels, 213 pages, French/German text \$2.00

A detailed report about the costs of labor and the revenue of workers in the industries of the European Coal and Steel Community during 1963. Also includes a survey of the years 1954-1963.

LABOR IN THE EUROPEAN COMMUNITY, NO. 8, European Community Information Service, Washington, April 1965, 16 pages free

This issue contains articles on wages in the European Economic Community in 1962, vocational training in France, unemployment in the EEC, and new proposals for the reorganization of the sulphur industry.

A GUIDE TO THE STUDY OF THE EUROPEAN COMMUNITY, European Community Information Service, London, revised edition 1965, 19 pages free

A selected reading list of official publications of the European Community as well as books, pamphlets and articles about the Community and its relations with the United Kingdom in particular. Also contains a list of bibliographies and sources of additional information.

STATISTIQUE AGRICOLE, 1964—No. 8, Statistical Office of the European Communities, Brussels, 1965, French/German text, 148 pages \$1.50

This issue contains articles on the utilization of farmlands from 1950 to 1963, the sizes of farms in the EEC member states according to each country's latest agriculture census, and statistics on farm machinery in use in the Community.

ADDRESS given at the opening of the Hanover Fair, 1965 by Professor Walter Hallstein, President of the EEC Commission, April 24, 1965, 12 pages free

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