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FRANCE ENDS COMMUNITY BOYCOTT

Normal Council Activity to Begin Again

FRANCE HAS ENDED ITS BOYCOTT of Community institutions. Work on all current questions, held up during the seven-month crisis, will start again in February.

The extraordinary meeting of the Council of Ministers, begun in Luxembourg on January 17 and 18 and continued on January 28 and 29, resulted in agreement among the Six to continue to apply the Rome Treaty without change.

The member governments agreed that every effort should be made to reach decisions unanimously on matters of vital importance to their countries. France expressed the view that talks should continue in such cases until unanimous agreement is reached.

The ministers also agreed on improving relations between the Council and the Commission, without reducing the Commission's rights of initiative in making proposals to the Council.

France Asks For Guarantee

The French Foreign Minister Maurice Couve de Murville raised two political questions during the first part of the extraordinary meeting. He called for a guarantee that Council decisions would not be taken by a qualified majority vote in cases where a member country held that its vital interests were at stake. He also proposed a 10-point list of ways the "style" of the Commission should be changed. In addition, he suggested a timetable for the settlement of outstanding Community problems including 1966 budgets, the agricultural financing regulation, and ratification of the treaty merging the executives of the three Communities.

Five of the delegations opposed any settlement which gave a member state the permanent right of veto. A compromise proposal by Paul-Henri Spaak, Belgian Foreign Minister, which would have allowed three "readings" in the Council before a majority vote was possible, did not meet French wishes.

On the ten points concerning the "style" of the Commission, the ministers agreed that steps could be taken to improve relations between the Commission and the Council and that certain of the points appeared acceptable. No agreement was reached, however, and the extraordinary session was temporarily suspended until January 28-29.

In the days preceding the second part of the meeting, the European Parliament in Strasbourg and the German Bunde-

stag supported the five countries' insistence that the Treaty provisions on majority voting not be changed. Ministers attending the extraordinary session of the Council also presented their views at the European Parliament meeting on January 20 and 21 (see story, page 3). The Permanent Representatives of the six governments met in Luxembourg on January 26 and 27 to discuss the matters raised in the first part of the Council meeting.

Unanimity To Be Sought; Majority Rule Stands

Again under the chairmanship of Luxembourg's Prime Minister Pierre Werner, at the second part of the extraordinary session on January 28-29, the Council decided on two texts. On the question of majority vote, the ministers agreed on a four-point document which reaffirmed their intention to continue to develop the Community without using the qualified majority vote against the "very important interests" of one or more members. The four points were:

"1. When in the case of decisions which could be taken by a majority vote on proposals by the Commission, very important interests of one or more partners are at stake, the members of the Council will try to achieve within a reasonable period solutions which can be adopted by all the members of the Council while respecting their mutual interests and those of the Community in accordance with Article 2 of the Treaty.

2. As regards the preceding paragraph the French delegation considers that when it is a question of very important

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interests, the discussion must continue until a unanimous agreement has been reached.

3. The six delegations note that a divergence of views persists about what should be done in cases where conciliation cannot be completely achieved.

4. The six delegations nevertheless consider that this divergence of views does not prevent the work of the Community from being begun again according to normal procedures."

The ministers reportedly also agreed that decisions which would have been made by unanimous vote in 1965 will be taken unanimously in the future.

Council-Commission Relations To Be Improved

The ministers also approved a list of seven points on improved relations between the Council and Commission. These will be discussed by the Commission and the Council in accordance with Article 162 of the Rome Treaty.

The Six adopted seven of the original 10 points proposed by Mr. Couve de Murville after revising them considerably. Two other points were dropped since they related to the Council's own power of decision and not to relations between the two organs.

The seven points were:

"1. It is desirable that the Commission, before adopting a proposal of particular importance, should make appropriate contacts with the governments of the member states, through the Permanent Representatives, without this procedure affecting the right of initiative which the Commission derives from the Treaty.

2. The proposals and all other official acts which the Commission addresses to the Council and the member states shall only be made public after the latter have formally taken cognizance of them and have the texts in their possession.

The Official Gazette should be organized so that acts having a binding force appear distinctly. Methods for publishing texts whose publication is required will be decided in the framework of the current work on the reorganization of the Official Gazette.

3. Letters of credence of missions of states accredited to the Community shall be presented to the President of the Council and the President of the Commission meeting together for this purpose.

4. Complete information will be exchanged rapidly on approaches on matters of substance made either to the Council or to the Commission by representatives of non-member states.

5. In the framework of the obligations of the Article 162, the Council and the Commission will proceed to consultations on the advisability, methods and nature of links which the Commission might establish with international organizations according to Article 229 of the Treaty.

6. Cooperation between the Council and the Commission on Community information, which was examined by the Council on 24 September 1963, will be strengthened so that the program of the press and information service will be defined and its execution followed jointly according to procedures to be defined later and which might include the creation of an *ad hoc* organ.

7. The Council and the Commission will define in the framework of the financial regulations for the establishment and the execution of the Communities' budgets, means of increasing the efficiency of control over obligations, payment orders, and expenditures of the Communities."

Backlog Presses Council

The protracted and difficult discussions resulted not only in agreement on the two texts, but also in a French decision to again appear at the Community table for the conduct of regular business. With the exception of the extraordinary meeting, the French have not attended Council meetings since June 30 of last year.

Community budgets are to be adopted by written procedure before the middle of February, and the Council will meet before the end of the month to begin consideration of work that has built up during the months of crisis. Attention will be given to financing the common agricultural policy and, at the same time, discussions will begin on a further mandate for the Kennedy Round and on aligning national tariffs on imports from non-member countries prior to the common external tariff coming into effect.

The ministers also agreed that talks would begin at the same time on the membership of the future merged Commission and that efforts would be made to have the merger take place by the beginning of July. An earlier French proposal calling for merger by mid-April was rejected by the other Five, since it imposed a time limit on ratification of the merger treaty, a matter not in the hands of governments but the responsibility of national parliaments.

How Majority Voting Works

The Treaty of Rome is a "framework treaty" outlining in general terms the tasks and responsibilities of the Community institutions. It is a Commission task to make proposals regarding policy, "implementing legislation," and regulations which fill in the Treaty's outline.

The initiatives of the Commission in the form of proposals are tabled before the Council of Ministers for acceptance or rejection. Articles 148 and 149 of the Treaty govern the Council's voting procedure on Commission proposals. They are as follows:

"Article 148:

1. Except where otherwise provided for in this Treaty, the conclusions of the Council shall be reached by a majority vote of its members.

2. Where conclusions of the Council require a qualified majority, the votes of its members shall be weighted as follows:

Belgium — 2 Germany — 4 Luxembourg — 1
France — 4 Italy — 4 Netherlands — 2

Majorities shall be required for the adoption of any conclusions as follows:

—twelve votes in cases where the Treaty requires a previous proposal of the Commission, or

—twelve votes including a favorable vote by at least four members in all other cases.

3. Abstentions by members either present or represented shall not prevent the adoption of Council conclusions requiring unanimity."

"Article 149:

When, pursuant to this Treaty, the Council acts on a proposal of the Commission, it shall, where the amendment of such proposal is involved, act only by means of a unanimous vote.

As long as the Council has not so acted, the Commission may amend its original proposal, particularly in cases where the Assembly has been consulted on the proposal concerned."

PARLIAMENT HEARS SPECIAL COUNCIL REPORT

Members and Ministers Reaffirm Support of Rome Treaty

EUROPEAN PARLIAMENT MEMBERS and government representatives of the member states reaffirmed their support of a Community based on the Rome Treaty on January 20 in Strasbourg.

Their statements were made during the Parliament's annual debate on the accomplishments of the Community institutions during the past year. The assembly's traditional colloquy occasioned a report by member state ministers on the January 17-18 special Council meeting in Luxembourg (see story, page 1). Five of the six member state governments were represented by their ministers.

Luxembourg's Prime Minister Pierre Werner said, on behalf of the Council, that the discussions had begun specifically to start the Community moving again. The meeting, he said, was not "a matter of revising the Rome Treaty nor of altering the powers and responsibilities laid down in the Treaty for either the Council or the Commission." However, he pointed out that "remaining differences" between the member states on questions of majority voting and Council-Commission relations necessitated the January 28 meeting.

Parliament's Powers Questioned

Parliament members were particularly interested in the powers of the assembly in view of 10 points proposed by French Foreign Minister Maurice Couve de Murville to reform the Commission's "style." Italian Liberal group leader and former Parliament President Gaetano Martino expressed concern about parliamentary control in the Community should the independent Commission be replaced by a technical body.

German Socialist group leader Käte Strobel said that any reduction in the Commission's powers of initiative would also mean a reduction in the powers of the Parliament. She said that the Socialist group would accept nothing less than what had been agreed in the Rome Treaty.

Jean-Noël de Lipkowski, French Union for a New Republic group leader, pointed out that the principle of majority voting had been conceived at a time when the way to political unity was thought to be open. Since this unity has not occurred, it is now necessary to modify the majority rule, he said. He added that Mr. Couve de Murville's timetable was not an ultimatum, but a series of suggestions born of a sincere desire to reach a settlement.

Netherlands Rejects Veto

The latter statement was welcomed by Dutch Foreign Minister Joseph Luns, who denied that the Council had been forced into a defensive position. He explained that the veto power would not only affect France but could become the weapon of any pressure group in the Community to ensure its own interest.

Mr. Luns said that the Netherlands would support the Rome Treaty. He pointed out that any agreement between the Council and the Commission must be by their common consent, according to Article 162 of the Rome Treaty.

Paul-Henri Spaak, Belgian Foreign Minister, also backed the view that the Council and Commission must settle their own relationships. He reminded the Parliament that the

Rome Treaty does not allow anyone to give orders to the Commission.

"I believe that the majority voting system, in the Europe which I have wanted for many years, will be a necessity," he said. "If the crisis lasts for another few weeks or months, the process of disintegration which has already been taking place since July will affect the very existence of the Community."

Germany's position on the majority vote question was also presented at the meeting. State Secretary Rolf Lahr considered that the question concerned other member states as well as France.

"No government wishes to have decisions imposed on it which are against its fundamental national interests," he said. "Use of a majority vote should not and cannot be anything but a last resort in exceptional circumstances, when it has proved impossible to reach unanimity."

Parliament colloquy: Dutch Foreign Minister Joseph Luns addresses the European Parliament on January 20 in Strasbourg.



POLITICAL QUESTIONS DOMINATE COMMUNITY IN 1965

Progress Made Prior to Crisis

THE EUROPEAN COMMUNITY began 1965 with great optimism and a heavy work schedule but ended the year in the most serious political crisis of its existence.

At the start of 1965 the Community faced the task of consolidating broad internal institutional, economic, and social changes in preparation for its entry into the third and final transition stage at the beginning of 1966. However, France's boycott of Community institutions during the last half of the year hampered progress in many important areas.

Executive Merger Approved

The major achievement during 1965 for all three Communities was the Council's agreement in March to merge the executive branches and Councils of Ministers of the EEC, ECSC and Euratom. The merger treaty was signed by the representatives of the six governments in April but has not been ratified by all member state parliaments.

Throughout 1965, the medium-term policy committee, composed of national economic advisors and Commission experts, met frequently to prepare the Community's economic policy for the period 1966-1970. The policy, to be submitted early in 1966, will provide the framework for Community activities in such fields as agricultural policy, regional development, and vocational training for the next five years.

The Community's economic record for 1965 showed a gross product growth of 4 per cent as compared to 5 per cent in 1964. Industrial production was down 1.5 per cent, and internal trade increased 2.5 per cent. Commission Vice President Robert Marjolin in a speech to the European Parliament on January 18 attributed the leveling off of economic growth to lagging investments and cost and price rises. (See story page 13).

Internal Tariffs Cut

Member states reduced tariffs on intra-Community trade by 10 per cent on January 1, 1965, as prescribed in the Rome Treaty. The duties on industrial goods were thus lowered to 30 per cent of their level in 1957, those on liberalized agricultural products to 50 per cent, and tariffs on other agricultural goods to 45 per cent. An additional 10 per cent reduction of internal tariffs was foreseen by the Treaty for January 1, 1966, which took place as scheduled.

The EEC Commission in January 1965 proposed a new timetable to accelerate the transition to a full customs union. The proposal provided that all duties on intra-Community trade would be completely abolished by July 1, 1967—two and one-half years ahead of schedule. No decision was taken on this proposal by the Council.

By July 1, 1965, all member states had, upon a Commission recommendation, abolished duties in intra-Community trade on small consignments and goods in travelers' luggage up to a value of approximately \$60. Other charges such as purchase taxes and countervailing duties are still payable.

Anti-Trust Work Advances

The development of competition rules continued in order to protect fair competition in the Common Market. The Council adopted in January a regulation empowering the Commis-

sion to grant block exemptions (from anti-trust action), primarily to exclusive dealing agreements and to agreements on the utilization of industrial property rights.

In addition, Commissioner Hans von der Groeben presented in June a five-point program to spur competition. The proposals, elaborated by the Commission in February 1966, included the establishment of a European patent law, a European corporation law and the harmonization of legislation in the field of fiscal policy (see story page 16).

Wider Role Planned for Social Fund

The social development of the EEC continued in 1965. A new proposal was made in February to extend the scope of the European Social Fund which, from 1960 through 1965 shared costs for retraining 450,000 workers at an expense of \$32 million. The Fund would aid in building workers' housing, establishing vocational training centers, raising sub-standard wages, and providing counseling and vocational services for migrant workers. The proposal was linked to the needs of regional planning and suggested that the Fund be empowered to contribute toward the cost of guaranteeing incomes to workers awaiting employment in new factories.

The Commission took steps during 1965 to "ensure harmonious development by reducing economic differences between regions and mitigating the backwardness of the less favored" as provided in the Treaty. Gradually the instruments for achieving this goal are being acquired as the Social Fund, the European Investment Bank, and the European Agricultural Guidance and Guarantee Fund coordinate their operations.

Mr. Marjolin proposed on May 31 an order of priorities for regional development based on Commission studies. The priorities covered: vocational training of the local work force; the improvement of local infrastructures (roads, gas, water and electricity, housing, and schools), and fiscal and other inducements to industry to settle in backward or declining areas.

Regional Policy Proposed

The first Commission memorandum on regional policy recommended the formation of new "development poles" as the nuclei of new industrial regions, on the basis of the experience gained by the individual member states. The Bari-Brindisi-Taranto triangle in southern Italy is the first such development pole to be subject to a Commission study.

After four years of negotiations, the Council of Ministers agreed in June on the basis for a common transport policy for the Community. The agreement comprises a two-stage transitional period ending on December 31, 1972, but does not define the system to be introduced after that date. The main feature of the transitional arrangements for the first two stages is the use of two systems of rate brackets with upper and lower limits.

In the compulsory system, rates must be kept within the limits except for special contracts. In the reference bracket system, the limits are only indicative, but firms that do not abide by them must report their rates to special agencies for publication. On October 28, the Commission proposed several amendments to its initial proposal of May 10, 1965.

Progress in External Relations

A major achievement in the Community's external relations in 1965 was the completion of a draft association agreement with Nigeria. The agreement provides for reciprocal trade concessions, rights of establishment in Nigeria for Community nationals and companies, freedom of payments and capital repatriation, and an institutional framework envisaging regular meetings between the two sides.

The draft agreement differs from the Yaoundé Convention between the Community and the 17 African associates and the Malagasy Republic in that European Development Fund aid is not provided and Nigeria will not send representatives to the European-African Parliamentary Assembly. The agreement is subject to the approval of the EEC Council of Ministers and the Nigerian and Community national parliaments.

Nigeria was the first Commonwealth African country to seek association with the Community. Since then, negotiations have also been conducted with Kenya, Uganda and Tanzania for a trade agreement with the Community.

The EEC and Austria began talks on March 19 on a possible association agreement. Five rounds of discussions were held during the year to discuss trade in the industrial and agricultural sectors and harmonization of Austria's economic policy with that of the Community.

A three-year trade and technical cooperation agreement was signed on May 21 by the EEC and the member states with Lebanon. The agreement provides for reciprocal application of the most-favored-nation clause and coordination of EEC member states' technical assistance to Lebanon. The parliaments of the member states must ratify the agreement before it enters into force.

The EEC began negotiations with Tunisia on July 6 and with Morocco on July 12 on the basis of a partial mandate given by the Council. Both countries have expressed the desire to establish a preferential trading agreement with the Community.

Talks were held on a technical level with a Polish delegation at the Commission headquarters in the spring, and in

January and May technical trade talks were held with a delegation of the Yugoslav government.

Kennedy Round Moves Slowly

The Community's participation in the Kennedy Round trade negotiations continued in January in Geneva with the multi-lateral examination of exceptions lists from the United States, Japan, Finland, the United Kingdom and the EEC. Industrial discussions progressed during the year to cover textiles, paper and wood pulp, aluminum and chemicals. Non-tariff obstacles to trade were also considered.

The Commission submitted to the Council in May several proposals for the adoption of common commercial policies which are important for the GATT negotiations. The proposals concerned: protection against dumping or payment of export subsidies by non-member countries, a common list of liberalized imports, and common procedure for the administration of import quotas.

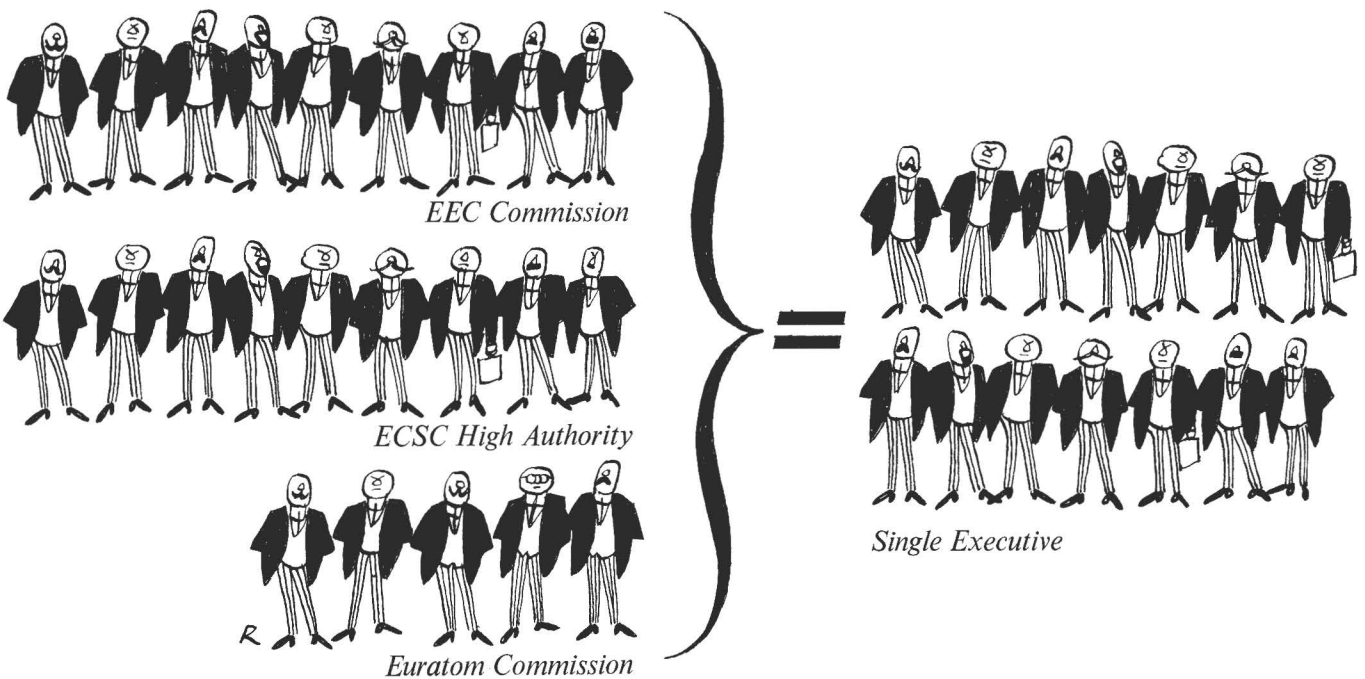
Discussions on a possible world commodity agreement for grains began in May. The Community proposed binding support levels, setting a world reference price and fixing special provisions for developing countries. However, the actual negotiations on agriculture were slowed in September when the EEC was unable to table its other agricultural offers at Geneva (along with other GATT nations) as the result of its internal political crisis.

Impetus Given To Agricultural Policy

The application of Community regulations for rice, dairy produce, and beef beginning in 1964 meant that 85 per cent of EEC agricultural production was covered by common market organizations at the beginning of 1965. The agreement in the Council on December 15, 1964 to establish common grain prices in July 1967 showed the resolve of the member states to continue progress on the integration of agricultural markets. In February, the six ministers of agriculture discussed a work program under which the Council would have settled by mid-1965 many of the outstanding issues on agricultural policy.

Regulations were proposed by the Commission which

NEW MATH



would bring two additional sectors, sugar and fats and oils, under Community rules. A common policy was also drafted for seeds.

The European Agricultural Guidance and Guarantee Fund began operation in 1965, and \$37,780,000 was granted to the member states retroactively for agricultural expenditures in 1962-3. The Council approved a supplementary regulation for fruits and vegetables in May establishing additional import protection through countervailing duties and minimum prices.

Commission Presents Major Proposal

On March 31, the Commission presented a proposal which included financing of the agricultural policy, completion of the customs union between the Six on July 1, 1967, independent revenues for the Community from agricultural levies and customs duties, and increased powers for the European Parliament. This proposal was based on mandates given the Commission by the Council and by the Treaty of Rome.

The Council of Ministers during June agreed in general on the proposed date for completing the customs union and introducing free movement of agricultural and industrial goods. No consensus was reached, however, on the establishment of the single market stage of agricultural goods on July 1, 1967 nor on the allocation of independent revenues for the Community from that date. On June 30, following a meeting of the Council of Ministers, the French minister announced that France had decided to withdraw from the current discussions because it was "clear that there is no basis for agreement."

Although the breakdown centered on the specific terms of financing the common agricultural policy, subsequent statements by French leaders made it clear that France's objections had a political basis. President Charles de Gaulle noted

on September 9 that "a different concept of a European federation" existed and that the Commission's "supranational demands . . . forced us to bring the negotiations to a close."

France's withdrawal extended to virtually all Community affairs with the exception of certain technical committees throughout the remainder of 1965. Community legislation, primarily confined from then on to technical and routine operational matters, was decided by the member states by written procedure.

The Council of Ministers met without France on July 26 to discuss a memorandum on the financing proposal submitted by the Commission to the member states on July 22. The basic principles for settling the financing question were agreed upon by the five ministers on October 26 following their summer recess.

Five Appeal To France

At that time, the Council issued a joint declaration reaffirming the need to continue to implement the Paris and Rome Treaties and appealing to the French government to resume its place in the Community institutions. The Five invited the French government to attend as soon as possible a special Council meeting with only the ministers present. This appeal was renewed at the Council meeting on November 30.

Shortly after the French Presidential elections in December, the French government informed the Council President it would meet with the ministers of the Five in Luxembourg without the participation of the Commission (see story page 1).

Thus the Community moved into 1966 with many major problems unsolved. The year 1965, begun in a mood of optimism and enthusiasm following the adoption of the common cereals price, ended in an atmosphere of uncertainty and conflict over the future of the Common Market.

ECSC SEES YEAR OF SOCIAL AND TECHNICAL ADVANCE

Coal Subsidy System and Redevelopment Incentives Introduced

THE EUROPEAN COAL AND STEEL COMMUNITY'S social and technical programs continued to advance during 1965.

The ECSC approached the year's work expecting that 1965 would mark the end of the High Authority's independent existence in view of the planned executive merger. Consequently, the High Authority prepared, at the request of the European Parliament, a 12-year progress report to serve as a guide for the eventual fusion of the three Communities.

In the report, the High Authority noted the complementary characters of the ECSC and EEC Treaties and maintained that the future single Community treaty should combine the best aspects of both. The ECSC executive proposed that the single treaty provide for a Community industrial policy for which its previous powers would be combined with the wider responsibilities of the EEC Commission. The report suggested that the following ECSC practices be retained: coordinating and stimulating research; common economic forecasting and investment policy; uniform pricing and competition rules; readaptation of workers and industrial redevelopment aid.

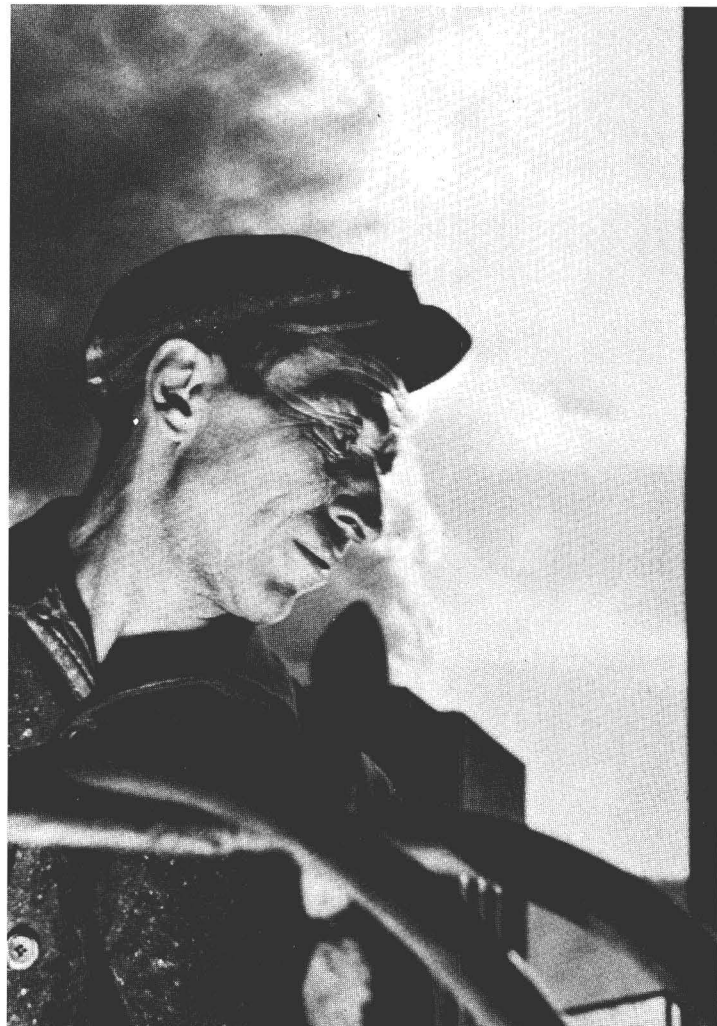
The ECSC also felt the effects of the Community's politi-

cal crisis. High Authority President Dino Del Bo said following the June 31 breakdown that the High Authority would continue to apply the Paris Treaty. The ECSC Council of Ministers met once in the latter half of the year (on July 13) without French representatives. Business requiring the Council's approval was subsequently accomplished by written procedure.

Energy Policy Progresses

The High Authority made further progress toward a Community energy policy by approving in September member states' 1965 subsidies to coal mining. The financial measures were declared to the High Authority under the terms of its decision of February 17, 1965 to establish a Community system of state aids to the coal industry. The decision was one of the first applications of the Protocol of Agreement on energy policy adopted on April 21, 1964 by the ECSC Council of Ministers.

The assistance approved by the High Authority in accordance with Community criteria amounted to: \$4.6 per ton in Germany, \$4.7 per ton in France, \$5.4 per metric ton in



An Italian steelworker from Naples

Belgium and \$0.85 per metric ton in the Netherlands. Three forms of subsidies are permitted: financial assistance for extra social cost borne by the coal industry, for modernization and for special emergency situations.

The High Authority also consulted with member governments on the coordination of coal policy and dealt with the problems of coke supply in a special Community study. An up-to-date study of the policy considerations to be prepared from the long-term prospects for energy supply will be published early in 1966.

Coal Output Declines

Coal production in the Community in 1965 reached 223.8 million metric tons, compared to 234.5 million metric tons in 1964. Imports remained unchanged at nearly 30 million metric tons. Community coal stocks increased nearly 11 million metric tons to 26 million metric tons.

This high level was still below the figures reached in 1959. Total energy consumption in the Community was 596 million metric tons coal equivalent, of which 38 per cent was provided by coal. About 54 per cent of all energy requirements were supplied from within the Community.

Steel Output Rises; Prices Fall

Steel production in the Community in 1965 reached a record total of 86 million metric tons, 4 per cent above the 1964 level of 82.9 million metric tons. Exports rose by a third to approximately 14 million metric tons, while imports dropped to two million metric tons.

Capacity utilization at 85.7 per cent was lower than in 1964 when it averaged 90.2 per cent. In the second half of

the year, prices both within the Community and on export markets dropped sharply to, in many cases, the lowest levels attained in 1963. The High Authority advised producers on several occasions to adapt production to the effective level of demand to avoid a serious decline in prices.

Tariff Remains at Italian Level

The High Authority decided at the end of the year to maintain the level of tariff protection at the Italian level (9 per cent average) originally introduced in early 1964. In addition, it recommended that member governments maintain the \$7 specific duty on foundry pig-iron imports. Tariff quotas at the previous level of duty were also continued into 1966.

The High Authority encouraged steel consumption by conducting a second international steel congress in Luxembourg and an international architectural contest for a prefabricated house design using major steel parts. The preparation of long-term steel forecasts up to 1970 also continued.

The levy on Community coal and steel production was raised in July from .2 per cent to .25 per cent to provide the High Authority with additional funds for research and the retraining and re-employment of workers. Technical research expenditure will be divided as follows: \$8 million on the steel industry, \$4 million on the coal industry, and \$4.5 million on social projects. Research spending totalled \$75 million in the previous 10-year period.

The High Authority raised loans amounting to \$54.3 million last year to aid new investment in the coal and steel industries. This figure represented only about half of the record 1964 level due partly to higher interest rates. Including this sum, the High Authority has raised approximately \$560 million on capital markets since 1954, relending \$503 million to industry and underwriting about \$44 million of other investment.

Industrial Redevelopment Encouraged

Reduced credit for industrial redevelopment was introduced last year. Under this system, High Authority loans to companies building new factories may be provided at 4.5 per cent for the first five years and 6.5 per cent for the remaining period. Repayments will begin at the beginning of the fourth year.

During the year, the High Authority furnished \$3 million to aid three industrial redevelopment projects. Additional projects were being studied at the end of the year, and higher sums than furnished in the past will be provided for redevelopment.

Expenditure on workers' retraining and re-employment in 1965 out-distanced High Authority spending during 1964. Credits of nearly \$8 million were provided for approximately 29,000 workers. The highest proportion of workers aided were coal miners. Dutch workers were assisted for the first time following the partial closure of a mine in Limburg. Nearly 218,000 workers have received High Authority aid since 1954.

The High Authority will provide \$20 million over the next three years for the sixth workers' housing program. The ECSC executive branch has contributed \$206.8 million to help finance nearly 100,000 houses under the first five building programs nearly completed. Under the new program, houses in areas affected by individual redevelopment or subject to a major housing shortage will receive financial priority.



White concrete encircles the BR 2 reactor and instruments for its operation at Mol, Belgium. The high-flux materials testing reactor is operated jointly by "Centre d'Etude de l'Energie Nucléaire" (CEN) and Euratom.

EURATOM RESEARCH BENEFITS MOUNT IN 1965

THE EUROPEAN ATOMIC ENERGY COMMUNITY realized a return on its investment in priority research programs during 1965.

The two main decisions affecting Euratom's 1965 research activities were taken before the crisis began, thus limiting its repercussions on the Community. The first decision concerned the December 1964 financial allocation of \$76.7 million for the next year's research. The sum was increased to \$83.4 million in a supplementary budget, approved in May, to account for the revision also that month of Euratom's Second Five-Year Research Program (1963-67).

Five-Year Program Revamped

The revision was prompted in part by the Community's transition into the "industrial stage" of nuclear energy. Industrial interest had increased in proven-type reactor techniques (both gas and water-cooled), along with various ancillary operations such as the processing of fuel and the disposal of radioactive waste.

Consequently, Community research was reoriented to emphasize the middle and long-term aspects of nuclear research, particularly the Orgel project (for an advanced type of heavy water reactor consuming natural uranium as fuel), fast breeder reactors, and the harnessing of thermonuclear fusion. Orgel represents Euratom's main contribution to the development of the advanced reactors which will tide the Community over the intermediate period from 1970, until fast breeders are ready for industrial scale construction (probably in the 1980's).

This second important step was made following a year of

deliberation in the Council of Ministers over those sectors in which research would be reduced and the extent of the cutback. The five-year budget was increased from \$425 million to \$456 million, including \$24 million unspent funds from the first five-year program.

Fast Reactor Work Advances

Notable developments occurred after May in each "priority" research sector. All fast reactor work in the Community was included in the Euratom research program with the conclusion at the year's end of two association contracts with Dutch and Belgian atomic energy authorities (see story page 18). Association agreements were already in effect between the Community and the French C.E.A. (Commissariat à l'Energie Atomique), the German G.F.K. (Gesellschaft fuer Kernforschung), and the Italian C.N.E.N. (Comitato Nazionale per l'Energia Nucleare). Fast reactor research was allotted \$82.5 million under the five-year program.

Another achievement in the field of fast reactor research was the development in October of a sodium loop for fast neutron irradiation. The loop was constructed by the staff of the BR2 installation at Mol, Belgium. It will simulate inside the core of the BR2 reactor the operating conditions encountered in fast neutron reactors. The work on the loop was financed by Euratom and the French Atomic Energy Commission (C.E.A.) within the terms of an association contract.

The Commission also signed during the year an accord with the British Atomic Energy Authority, under the U.K.-Euratom Agreement, to exchange information on fast reac-

tor research and development. Under the U.S.-Euratom Agreement for Cooperation, the United States Atomic Energy Commission on November 5 made the first shipment of enriched uranium fuel for the SENA reactor (Société d'énergie nucléaire Franco-Belge des Ardennes).

The Euratom executive branch decided to renew five thermo-nuclear fusion association contracts which expired recently (two in Germany and one each in France, Italy, and the Netherlands). A total of 87 Euratom staff members are employed in the national research centers to perform the second stage of this research to which nearly \$22 million is allotted.

ECO Reactor Goes Critical

The ECO (Orgel Critical Assembly) reactor went critical on December 15 at Ispra, Italy (see story page 18). ECO, part of the equipment for the Orgel project, will enable the precise study of techniques for obtaining the best neutron economy in advanced-types of heavy water reactors. A further stage in the Orgel program, the ESSOR (Orgel Test) reactor, is expected to begin operation in 1967.

Studies during the year showed that construction of a 100 MW prototype Orgel reactor would be feasible in the near future. This conclusion was supported by 160 Community industrialists and power producers attending a conference at Ispra in October on the progress of Orgel research.

An "Indicative Program" was published by the Commission in March. The program forecast nuclear energy produc-

tion and investment targets for 1970-2000 based on possible future industry growth and demand.

The Commission predicted that the Community's installed nuclear capacity would reach 40,000 MWe by 1980 compared to only 3,000 MWe now in service or under construction. Nuclear capacity was expected to be 370,000 MWe by the year 2000, by which time up to two-thirds of the Community's electricity will come from nuclear reactors.

During 1966, the Commission plans to prepare an industrial policy proposal to help the Community overcome possible obstacles to nuclear expansion. These hindrances to nuclear expansion and competition were listed by the Commission as follows:

- Dispersion and inadequate scale of production units.
- Slow construction of Community-designed prototypes.
- Inadequate arrangements for the supply of uranium and fissile material.
- Legislative and administrative disparities between member states.

In the field of external relations, the Commission informed the Council of Ministers in October of its intention to begin preliminary negotiations with Israel for a nuclear research cooperation agreement. Israeli government officials have proposed the possible exchange of information and personnel in such fields as the use of the Orgel project for desalination, reactor physics and chemistry, and the use of radioisotopes.

EEC Commission Allots Guarantee Grants from Agricultural Fund

The Commission of the European Economic Community has allotted \$28,723,086 from the European Agricultural Guidance and Guarantee Fund (EAGGF) for guarantee operations in 1962-63.

This amount represents the first Community payments from the guarantee section of the Fund. Of the total, \$22,261,240 will go for subsidies of agricultural exports to non-member countries.

The remaining \$6,461,046 will be used to support prices on the internal market. A total of \$9,056,922 has already been allotted from the Fund for 1962-63 guidance operations such as modernization and rationalization of farms.

The amounts to be granted for guarantee and guidance operations in 1962-63 are as follows:

Guarantee Section

Total	\$28,723,086
Market Interventions	6,461,846
Cereals	6,461,846
Export Subsidies	\$22,261,240
Cereals	21,495,923
Pigmeat	49,743
Poultry	164,123
Eggs	551,451

Guidance Section

Total	\$ 9,056,922
Marketing, Distribution	\$ 4,910,320
Cereals	103,591
Milk Products	2,100,975
Fruit and Vegetables	1,676,365
Miscellaneous	1,029,389
Improvement of Structures	\$ 4,146,602

One-sixth of member states' total expenditures in 1962-63

are reimbursed by the Fund. This proportion will be increased to two-sixths for 1963-64 and three-sixths for 1964-65. The installment for 1963-64 of Community allotments will be paid next year.

Member states will receive the following payments from the Fund for 1962-63:

Member States	Guarantee Sec.	%	Guidance Section	%
Belgium	305,380	1.06	703,751	7.77
France	24,479,196	85.23	1,951,487	21.55
Germany	1,790,191	6.23	2,577,635	28.24
Italy	1,280,606	4.46	3,069,464	33.89
Luxembourg	3,446	0.01	—	0
Netherlands	864,259	3.01	774,585	8.55

All of the EAGGF's expenditures for guidance and guarantee operations in 1962-63 will be provided by contributions from the member states according to a scale foreseen in Article 200 (1) of the Rome Treaty.

EIB To Assist Italian Highway Development

The European Investment Bank will furnish \$24 million to help construct the Val d'Aosta highway in Italy.

The 30-mile-long highway will connect the Aosta road with the Turin-Ivrea-Quincinetto highway. This link will provide access to the tunnels of the Great St. Bernard on the Swiss border and Mont-Blanc on the French border.

The highway, costing a total of \$80.8 million, will be constructed and administered by the "S.p.A. Società Autostrade Valdostance—S.A.V." within the framework of the Italian government's highway development program.

ATLANTIC AND EUROPEAN STUDIES POSE ACADEMIC CHALLENGE

by JAMES ROBERT HUNTLEY

BY 1963, THE FUTURE COHERENCE of the European and Atlantic areas—heretofore regarded with optimism in the Western World—became less certain. In the various countries on either side of the Atlantic, those who had worked for greater collaboration and integration in economics, politics, and defense began to conceive of the achievement of a united Europe and of an Atlantic partnership as a longer-range effort.

Some eyes were turned to education, particularly in the United States, to see if emerging generations of Americans—especially those who would in the future lead—could not be better prepared for citizenship in an international community wider than their own national borders.

There was a more immediate concern: was American academia aware of the many acute problems posed by the Atlantic relationship, a relationship which has become more complex and demanding, ever more ramified and interwoven with our own national purposes?

U.S. Curricula Found Lacking

A general sampling of the curricula of American colleges and universities in 1963 revealed:

1. A large number of scholars who had devoted their lives to the study of Europe—but usually of one country.
2. A sprinkling of courses at the graduate level (and almost none for undergraduates) dealing with the new postwar Europe, its integration, and its interdependent relationship with the United States.
3. A pervasiveness in the entire American curriculum of the European ethic and experience, but little articulation of the meaning of our inseparability, of the concepts of common culture, common history, common goals, and problems or of how these concepts and problems affect the relations of the entire West with every other part of the globe. The general education of undergraduates was failing to impart a sense of the contemporary relevancy of Europe to America.

4. There were only a few programs for students who wished to specialize in Atlantic or European affairs. A publication of the Department of State in 1963 listed more than 120 area studies centers in the United States; of these, only eight specialized in Europe and most of these were focused on a distinct part of that continent, such as Scandinavia or the Iberian peninsula. Compared to the national need for specialists trained in Atlantic and European affairs, little was being done.

5. A considerable amount of research was being done on contemporary Europe and Atlantic problems, but much of it was not finding its way into teaching. Nor was this research adequate in scope: comparative studies, for example, were not being directed to yield guidance from European experiences for the solution of domestic American problems; the processes of political, military, and economic integration were still only dimly understood.

6. There was a feeling in a few places of the need to marry “European Studies” with “American Studies” to produce Atlantic Studies, conceived not simply as some new kind of area studies but as an approach which recognized that the U. S. was an intimate part of a new kind of international system, itself related to the evolving world order and to every other part of the world.

Breakthrough Began in 1963

In 1963, several things happened which had important implications for the role of Atlantic Studies in higher education. The Department of State created an “Atlantic Affairs Specialist” category within the Foreign Service so that the many diplomatic positions requiring detailed knowledge of the economy, the defense, and the political relations of the Atlantic area could be filled. The universities were the major resources on which the Department would have to rely for finding and training such officers.

The Ford Foundation, which had played an important

EDITOR'S NOTE: *This article by James Huntley is the first of a series to appear in the EUROPEAN COMMUNITY during 1966 on various aspects of European regional and Atlantic area studies and research. Subsequent articles will be contributed by American scholars in the field. They will discuss general and specific areas of study which are of academic interest in European and Atlantic regional affairs.*

In the past three years, universities in the member countries of the Six and in Britain have been establishing area study programs, generally at the graduate level, for research and study in European regional affairs. These programs have been stimulated by new international relationships and international problems created by the existence of post-war regional organizations. These include: the Council of Europe, the North Atlantic Treaty Organization (NATO), the European Coal and Steel Community (ECSC), Western European Union (WEU), the European Economic Community (EEC),

the European Atomic Energy Community (Euratom), the European Free Trade Association (EFTA), and the Organization for Economic Cooperation and Development (OECD).

Now universities in the United States and Canada are beginning to organize graduate and undergraduate courses and programs based on the “regional” approach to Europe and the Atlantic area. The complexity of problems that arise in the regional context often requires an interdisciplinary approach. Another aspect of recent developments is the growing interest on both sides of the Atlantic in exchanges and the pooling of academic resources.

In addition to the series beginning in this issue of EUROPEAN COMMUNITY, we will attempt to keep the United States and Canadian academic community informed throughout the year on current and recent scholarly work in European and Atlantic regional affairs on both sides of the Atlantic.

role in the growth of non-Western area studies in American universities, became concerned at this time with the relative lack of emphasis on the study of modern Europe. A committee of scholars advised the Foundation to underwrite a program of graduate fellowships in Western European Studies, parallel with those already set up under the Foreign Area Fellowship Program for Asia, Africa, and Latin America. This was done.

The European Communities' American office has for many years kept in close touch with American scholars interested in European integration and has maintained regular academic liaison. Through the Communities' efforts, contacts have increased between prime movers in Europe and U. S. professors.

The Atlantic Institute was established in Paris in 1961 to spur transatlantic intellectual cooperation. With the encouragement and cooperation of the Board and staff of the Atlantic Council of the United States, an American office of the Institute was set up in 1963, its principal aim being to help U. S. colleges and universities interested in developing what the Institute called "Atlantic Studies."

Universities Show Interest

At the same time a number of leading American professors of political science, law, economics, history, and education began to demonstrate a concern. Columbia University decided to reinvigorate its European Institute under the new leadership of Philip E. Mosely. At the University of Michigan Law School, Eric Stein pioneered a new course, "Law and Institutions of the Atlantic Area," for which he and Peter Hay had written a text.

At UCLA, Johns Hopkins, the University of California at Berkeley, Minnesota, Indiana, Yale, Harvard, and other institutions, a new interest in the future of Western studies emerged. The Atlantic Institute and Atlantic Council formed a national Committee on Atlantic Studies to survey the needs and current programs of colleges and universities and to try to focus the national concern. Eugene V. Rostow, Dean of the Yale Law School, was named Chairman of this Committee.

With the assistance of the Committee on Atlantic Studies, several conferences in different parts of the country have since brought together academicians working on problems of research and curriculum related to Europe and the Atlantic area. Such meetings were held at Berkeley, Columbia, and Mt. Holyoke College in 1965, with fifty or more institutions represented.

Similar conferences are scheduled at Racine, Wisconsin (bringing together Midwestern colleges and universities) and at Louisiana State University. The studies can be discussed, under aegis of the Atlantic Institute.

Pilot Projects Indicate Trend

These discussions and others appear to have helped a number of institutions to refine their purposes and animate their efforts. The following list is indicative of some of the new developments:

- Indiana University is introducing a West European Studies graduate program, eventually an Institute of West European Studies. The history curriculum already, for example, includes a course, "The Atlantic Community from 1500."
- The University of Minnesota, with an existing Northwest European Area Study Program, is projecting a Center of

Atlantic Studies for multi-disciplinary research and graduate training.

- Yale plans to inaugurate a European Studies program, emphasizing comparative courses and research.

- Paterson State College in New Jersey will inaugurate in 1966 a graduate political science course entitled "The Atlantic Community: Problems of Western Unity in World Politics." Queens College in Brooklyn plans a similar undergraduate course.

- American University is augmenting already considerable offerings on contemporary Europe. There is a Western European Area Studies program, giving M.A.'s and Ph.D.'s with European emphasis in selected disciplines. There are four integrated seminars on Western Europe, three of which deal with particular key countries, the fourth with common elements in European tradition, culture, and institutions.

- Johns Hopkins School of Advanced International Studies in Washington has offered for several years courses on "Economic Aspects of the Atlantic Community" and "European Integration."

- Colgate University requires three multi-disciplinary courses of all undergraduates: one on American and Western values and experience; one on the emerging nations; and a third on how these all interact internationally.

- UCLA has a special Atlantic Studies fund for faculty and graduate research.

- Lafayette College has inaugurated a history seminar on problems of the Atlantic Community.

This list is not exhaustive but indicative of a significant trend.

It is apparent that new academic interest has been aroused in many places, that there are a number of interesting pilot projects under way, that there is more interchange in this field between universities and scholars than before. Yet, by comparison with an obvious national and international need, a good deal more should be done.

European and Atlantic studies need still more attention because the national interest requires a clearer conception of where we are and where we are bound.

The universities can help supply this understanding, because students generally should be well grounded in their own culture, especially if they are to comprehend those of others properly, and because our own civilization, of which Europe is the mother, is in a process of transformation at several levels and the health of American society is inescapably bound up with these changes.

Future Studies Considered

There are several possibilities for future academic growth. Some of the following suggestions may apply to European universities as well as to American.

- Some new courses which stress Europe and the American-European nexus could undoubtedly be added, but much more important is the incorporation of a European-Atlantic component or *optique* into the curriculum generally—in the humanities as well as the social sciences, and in the graduate professional schools. (How many schools of social work, for example, study the history of the European experience in social welfare?)

- Multi-disciplinary training and research are more easily conceived than accomplished, but they are gaining ground,

and their relevance to European and Atlantic studies is axiomatic.

- More genuinely international institutions of higher learning, particularly at the graduate level, would serve a useful purpose. The College of Europe at Bruges stands almost alone. Johns Hopkins University's Center at Bologna, directed by C. Grove Haines, is a unique American effort to foster the international study of European issues with a thoroughly international faculty and graduate student body.
- Under leadership of Alexandre Marc, a European Institute of International Studies has been founded in Nice; a number of American universities have been invited to set up parallel with it, interconnected institutes of Atlantic or North American studies. No European university has set up a formal, institutionalized program of study in the United States, complete with permanent faculty and student body; why not? On both sides of the Atlantic, more attention could be given to the intensive training of graduate students in European and Atlantic affairs.
- Under Fulbright scholarships and other academic exchange programs, a great many scholars have crossed the Atlantic since World War II, with largely positive but usually ephemeral results. Perhaps the time has come for more sustained interchanges of university faculty—concentrating on fewer persons but enabling them to involve themselves much more intensively over a long period of time.

Professor Carl Friederich of Harvard, for example, has held dual chairs at Harvard and at Heidelberg University, moving each year between the two. Regular, periodic exchanges in both directions might conceivably help to restore in some measure the medieval unity of the scholarly world, in modern form and adapted to contemporary needs.

Perhaps the greatest need is to persuade more of our promising students that Europe and its ties with the U. S. and Canada remain a fascinating realm of study, with considerable professional challenges and a large measure of opportunity for services of a vital kind.

American academia has not yet come to grips fully with these phenomena. No general consensus yet exists as to the scope, the kinds or amount of emphasis, the labels, or even the degree of need for more-developed Atlantic and European studies. But it is certain that much discussion and ferment are taking place in widely-separated centers of thought.

JAMES R. HUNTLEY is program associate in the International Affairs Program of the Ford Foundation in New York. He was a foreign service officer in the State Department from 1951 to 1960, part of which time he served in the United States Mission to the European Communities in Brussels. He was named executive secretary of the Atlantic Institute in Paris in 1960 and directed the Institute's North American office in Washington from 1963 to May, 1965.

BRITISH EXAMINE THE TEACHING OF EUROPEAN AFFAIRS

by **ANDREW SHONFIELD**, *Director of Studies, Royal Institute of International Affairs*

THE GROWTH IN BOTH THE QUANTITY AND QUALITY OF "European studies" in British universities is one of the striking developments of the 1960s.

This was made clear at the first inter-university conference on teaching and research in European studies sponsored last fall by the Royal Institute of International Affairs at Chatham House, London. The meeting also revealed that academic problems still exist in this field and active experiment is needed.

British universities, traditionally autonomous, are in a peculiarly favorable position to participate in such a variety of experiments. Evidence from the Chatham House conference showed that about a dozen universities, especially concerned with studies of contemporary Western Europe, are taking advantage of their opportunities. The discussions disclosed, however, sharply different views concerning the proper lines of approach.

Participants included representatives of the universities and of such institutions as Political and Economic Planning (PEP) and the Institute of International and Comparative Law. The latter organizations have played an important part in stimulating British research on the European Communities in recent years.

Community Affairs Undergo Considerable Research

A substantial amount of research on the Communities is being carried out in Britain, particularly on problems con-

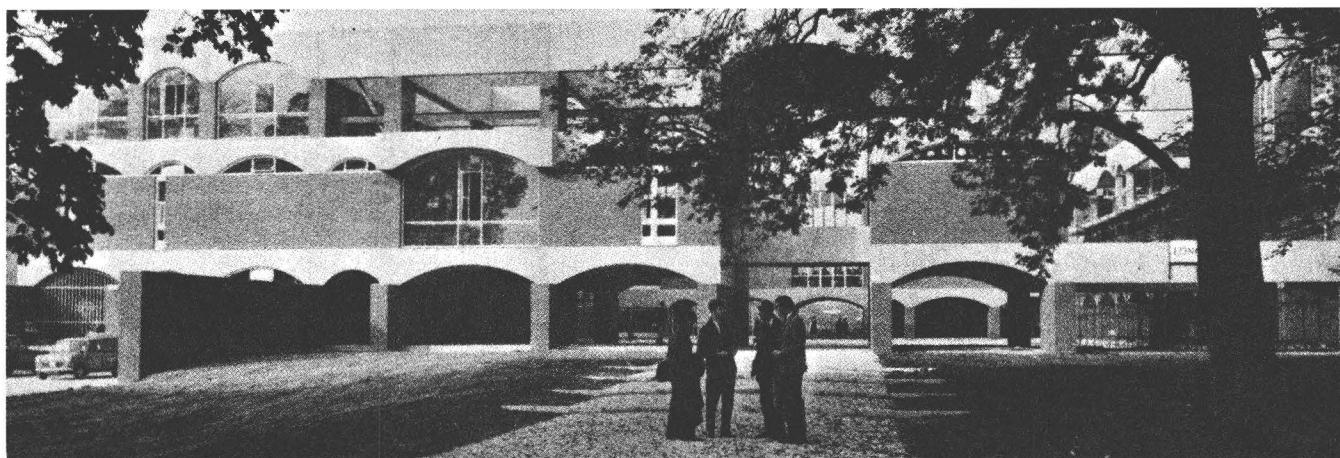
nected with the relationship between British and continental laws and institutions. The sudden urgency given to research by the negotiations for British entry into the Community in 1962-63 has not been entirely lost as a result of the breakdown of the discussions. British economists have hitherto shown markedly less interest in the study of the actual *modus operandi* (as opposed to theory) of the European Communities than British lawyers and political scientists.

Research generally poses less of a problem than the question of organizing the teaching of contemporary European studies at the university level. The chief question asked by nearly all the participants was, "At what stage in a university career is the student likely to be most responsive to instruction on the subject?"

Professor Asa Briggs, Dean of the Faculty of Social Studies at the University of Sussex, which has led in developing new methods of teaching European studies, pointed out that certain subjects could be usefully taught only when the student had already reached a fairly high level of sophistication in his major subject.

There is little point, he said, in studying the economics of integration without knowing a lot about economics. He said that contemporary European studies could be considered "in terms of acquiring tools (language), concepts (through the study of economics or law), and perspective (through the study of history)."

The participants agreed that European studies prevented



Students assemble informally in front of Falmer House at the University of Sussex.

students from specializing too early in their academic careers. One of the most attractive features of the study of Western Europe, and particularly of the European Communities, is its interdisciplinary character. Thus, the ideal time for intensive work seems to be somewhere around the fourth or fifth year at the university, after the first degree is obtained and before the student begins specializing for his doctorate degree.

Another problem cited was the need for students to achieve a sufficient familiarity with the basic subject matter of European studies (above all, Western European languages and civilization) early in their university or pre-university career.

The conference participants generally felt that the potentialities of study-travel between Britain and mainland Europe were not being sufficiently exploited. They considered that a

more regular and systematic exchange of students would benefit both Great Britain and continental Europe.

The major problem which emerged from the discussion is the widespread desire among the universities, particularly those far from London, for first-hand sources of information about events in the European Communities. Teachers are often unable to obtain deep insight into Community developments from documentary material alone. Direct communication with those responsible for conducting Community affairs was stressed as an essential prerequisite for serious academic study in this field.

Growing interest in this subject would also require concentration of the main academic effort in a few selected centers. This would enable more economical and effective use of library material, academic specialists, and, perhaps most important, visitors from Community institutions.

4.5 PER CENT INCREASE FORECAST IN EEC GROSS PRODUCT

Commissioner Warns Against Increasing Costs and Prices

ROBERT MARJOLIN, Vice President of the Commission of the European Economic Community, predicted on January 18 that the Community's gross product would increase by 4.5 per cent in 1966 as compared to a 4 per cent rise in 1965.

In his annual statement on the EEC's economic situation to the European Parliament in Strasbourg, France, Mr. Marjolin stressed that cooperation among the member states on a Community basis was necessary to slow down the rise of prices and costs which occurred in 1965 and to prevent a dangerous expansion of demand in those countries where an increase of economic activity is expected. Otherwise, he warned, the excellent prospects for future economic growth in the Community would be jeopardized.

Rapid Growth Pace Reported

Mr. Marjolin pointed out that since 1958 the Community had achieved rapid progress in production and an appreciable rise in living standards. Its gross product at current prices rose from about \$165 billion in 1958 to approximately \$305 billion in 1965 which, while allowing for the price rise, represents a 44 per cent increase in volume. Over the same period, the GNP increased about 35 per cent in the United States and 29 per cent in the United Kingdom.

One of the major factors behind this rapid expansion was the rise in productivity between 1960 and 1965 of about 4.5

per cent in Germany, France and Italy and approximately 3 per cent in the Netherlands and Belgium with an increasing momentum in the latter country. Figures were not yet available for Luxembourg.

The movement of workers to those sectors with the highest level of productivity was one of the chief causes of the productivity rise throughout the economy, Mr. Marjolin said. According to the most recent estimates the working population in agriculture fell by 22 per cent between 1958 and 1965 whereas in industry and services it increased by 13 per cent and 15 per cent, respectively. The improvement of productivity in each branch of activity was related directly to the scope of capital investments for modernization.

Mr. Marjolin warned that long-term growth could be severely jeopardized if the rise of directly productive investment is too weak—as was the case in France and, more recently, Italy. It may be necessary to stimulate industrial investment in certain countries to maintain the advances in production and productivity which the Community has achieved since 1958, he said. Such investment is one of the major problems necessitating a Community medium-term economic policy.

Private per capita consumption in the Community in 1965 was up one-third over 1958, an average annual increase of 4.2 per cent. This figure reflects a considerable rise in the

standard of living over the past seven years. On the other hand, since 1960 consumer prices have risen by 24 per cent in Italy, 20 per cent in the Netherlands, 19 per cent in France, 16 per cent in Germany and 15 per cent in Belgium.

Mr. Marjolin pointed out that "although this development originated in the private sector of the economy . . . public finances in general have not contributed that element of balance needed by the economy which should normally be applied in the context of any short-term economic policy worthy of the name."

The lesson to be drawn from the price increases, he said, is the unavoidable necessity to pursue an effective anti-cyclical budget policy, accompanied by an appropriate monetary policy. Effective coordination of short term economic policies in the Community is necessary to prevent the inflationary effects transmitted from one country to another from creating an overall inflationary situation in the Community.

Price Rise Becomes Excessive

The steep rise in prices which had taken place in the preceding years continued into 1965. In several Community countries the pace of the upward movement slowed somewhat and in France this trend was, as in 1964, distinctly slower than in previous years. But apart from this exception, the increase in the general level of prices became excessive throughout the Community.

According to consumer price indices derived from national accounts, the year's increases were 4.5 per cent in the Netherlands and Italy, 4 per cent in Luxembourg, 3.5 per cent in Belgium and Germany, and 2.5 per cent in France. In Germany and the Netherlands, the main cause of price increases was the too rapid growth of overall demand in relation to the possibility of expanding production.

"It may be wondered, moreover," said Mr. Marjolin, "if in the past we have not underestimated the period during which increases in costs continue to influence selling prices, even when the general economic disequilibria have waned or even disappeared entirely. This reflection is prompted by the price situation in 1965 in countries other than the Federal Republic of Germany and the Netherlands, where the growth of demand slowed down or was in the main modest, leaving quite an appreciable margin of unused production resources.

"There is no doubt that in all these countries, except for some sectors perhaps, the increase in prices was due to higher costs. It is also interesting to note that among all the Community countries, the one where the campaign against an exaggerated expansion was begun the earliest—I refer to France—experienced the smallest increase in prices."

Economic Recovery Forecast

Mr. Marjolin predicted that the countries which had already experienced a slowing of economic activity could expect a recovery or acceleration in 1966 and that this recovery has begun in the majority of member states. In the Netherlands, the rapid growth of production continues, owing to the firm trend of demand and to an appreciable increase in the working population. In Germany a less lively expansion of overall demand is expected, and in several branches of industry insufficient capacity will continue to act as a brake on production growth, particularly in the early months of the year.

The growth rate of GNP is expected to increase in France from 2.7 per cent last year to 4.5 per cent in 1966, in Italy from 3 to 4.5 per cent, in Belgium from 3 to 3.5 per cent, in the Netherlands from 5 to 5.5 per cent, and in Luxembourg



*Robert Marjolin
EEC Commission Vice President*

from 1.5 to 2.5 per cent. A slight drop in GNP growth is predicted for Germany, from 5 per cent in 1965 to approximately 4 per cent this year. The overall gross product in the Community will rise 4.5 per cent in 1966 as compared to 4 per cent in 1965.

Mr. Marjolin said that economic recovery will probably not be accompanied by excessive price increases in those countries which underwent a slowdown in expansion last year and which have built up surplus production capacity. But this conclusion is by no means certain owing to the delayed action of inflation and to habits contracted in periods of inflation.

In those countries where surplus capacities do not exist, the task of preventing large price increases will be more difficult. The extent of the inflation problem will depend upon the economic policies pursued by the member states in 1966 and upon the degree of cooperation they obtain from management and labor.

Price-Cost Stability To Be First Concern

The Commission Vice President also forecast the Community's economic policy problems for 1966. The foreseeable trend indicates that economic growth, employment, and the balance of payments will not be major problems in 1966, he said. The main concern will continue to be a return to price and cost stability or at least a decline in the rate of increases of recent years.

The imbalance between overall demand and domestic supply will probably persist in Germany and the Netherlands. These countries will have to limit the expansion of demand by applying more restrictive budgetary and monetary policies, which they have already begun to some extent.

In Belgium, the economic outlook depends on public expenditures, he pointed out. The Belgian government has expressed its intent to hold down the increase in public spending and to limit expenditures to actual appropriations. Difficulties may occur, however, in financing the budgetary deficit. Increases in public expenditure in Luxembourg have been very rapid, and a severe reduction in spending or a sharp rise in revenues is desirable.

Budgetary policy in France corresponds to the present needs of the economy. However, Mr. Marjolin said that instruments of fiscal policy may be necessary to stimulate private capital spending if the recovery of investment remains inadequate. In addition, he advised the retention of price controls but recommended the abolition of price freezing.

In Italy, the present policy of increasing public expenditures should be continued, within reasonable limits, and the structure of these expenditures should be changed, he said. Whereas priority should be given to measures which directly or indirectly stimulate investments, actual planned authorizations for capital expenditures in 1966 are lower than in 1965, and planned appropriations for consumption and transfer expenditures in 1966 show a considerable increase.

1969 REFINED OIL OUTPUT EXPECTED TO MEET DEMAND

EEC Crude Oil Imports Cover 93 Per Cent of Needs

COMMUNITY OIL-REFINERY CAPACITY IS EXPECTED TO increase 57 per cent between 1964 and 1969.

A recent EEC Commission report, "Investment Programs in the Community Oil Industry," predicted that the Community's total capacity in 1969 would reach 367.2 million metric tons compared to 233.8 million metric tons in 1964.

The capacity increase is expected to result in an output expansion of refined products from 194.7 million metric tons in 1964 to 292.5 million metric tons in 1969. The increased output would require crude oil supplies up from 211 million metric tons in 1964 to 318 million metric tons.

Forecast output will therefore rise a little faster than forecast capacity, the report pointed out. The Community's internal and bunker demand is likely to rise from 184.4 million metric tons in 1964 to 269 million metric tons in 1969, representing an average annual increase of 7.8 per cent compared to 17 per cent yearly during 1958-64.

Surplus Left for Export

The predicted capacity increase, representing an average annual growth rate of 9.5 per cent, would make it possible to supply internal needs, while leaving a surplus of about 25 million metric tons for export to non-member countries. The increased surplus of refined products available for export would benefit the Community balance of trade, the Commission said.

In a companion report, the Commission indicated that the Community's import bill will be substantially greater than it is now. The report, "Imports of Crude Oil and Oil Products into the Community from Non-Member Countries in 1962-63 and Forecasts for 1964," pointed out that the Community is currently dependent on imports for 93.4 per cent of its crude oil.

Crude oil production in the Community has been rising gradually from 13.9 million metric tons in 1963 to an estimated 15.9 million metric tons in 1965. However, the proportion of internal production supplying Community needs has decreased from 7.8 per cent in 1963 to 6.6 per cent in 1965.

Crude Oil Imports Rise

Between those two years, the Community's crude oil imports rose from 165.5 million metric tons to an estimated 225.9 million metric tons, representing nearly a threefold increase over 1958 imports of 82.4 million metric tons. Not all crude oil imports, however, are destined for refinery use.

The Middle East continued to supply the major portion of the Community's crude oil imports, although its share de-

clined from 58 per cent in 1963 to 55.1 per cent in 1965. Imports from North Africa increased from 22.3 per cent in 1963 to 28.9 per cent in 1965. Libya replaced Algeria in 1964 as the principal supplier of the Community's oil purchases from North Africa.

The Western Hemisphere provided only 4.3 per cent of the Community needs in 1965. Six to 7 per cent of the Community's consumption of both crude oil and refined products has come from the Eastern bloc in recent years.

Italy remained the Community's principal importer of crude oil last year, buying an estimated 65.7 million metric tons compared to 55.2 million metric tons in 1964. France purchased 59.7 million metric tons compared to 31 million metric tons in 1964, and Germany's purchases rose from 51.7 million metric tons in 1964 to 58.7 million metric tons last year.

Expansion of refinery capacity in the Six resulted in a decrease in the Community's purchase of refined oil imports. Imports declined from 25.9 million metric tons in 1963 to an estimated 20 million metric tons last year. The Six exported 29.5 million metric tons of refined oil in 1964.

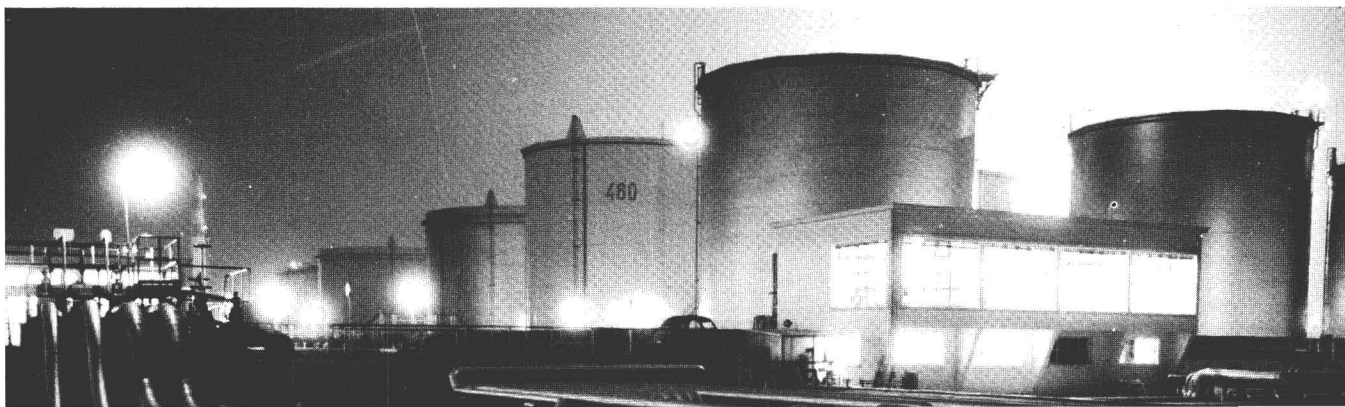
Drilling Goes Deeper

Constantly improving geophysical survey methods have made it possible to limit the number of boreholes without reducing the extent of new discoveries. Although the Community's deposits have supplied over 85 million metric tons of crude oil since 1958, proven reserves rose from 204 million metric tons to 304 million metric tons during 1964. For the first time, drilling took place on the North Sea Continental shelf off Germany. Similar maritime drillings are expected to begin soon off the Dutch coast.

Proven reserves of natural gas multiplied from 327 billion cubic meters to 2.1 trillion cubic meters between 1958-64, mainly due to the discovery of the large Gronigen deposit in the Netherlands. Community companies have also been drilling for natural gas in the British sector of the North Sea oil-search zone.

Transport by pipeline is assuming increasing importance in the Community's oil economy, the report pointed out. In early 1965, 17 pipelines were operating for crude oil with a total length of 3,168 km. and an annual throughput of 63.7 million metric tons, and five pipelines for refined products.

Eight additional pipelines are planned or under construction, with a total length of 1,863 km. and an initial annual throughput of 41.5 million metric tons. If these projects are completed, total refinery capacity supplied by pipeline will be over 100 million metric tons in 1969.



EEC COMMISSION AFFIRMS NEED FOR SOME MERGERS

But Monopoly Situations Must Be Avoided

THE EEC COMMISSION has reaffirmed the need for mergers of Community businesses to meet increasing European and world competition.

However, the Commission emphasized in a memorandum issued in January to the member states' governments that the mergers must take place within the limits of the Rome Treaty's anti-trust provisions. "While the Commission will . . . work for the elimination of artificial barriers that prevent European enterprises from coming together . . ., it will use its powers under the EEC Treaty and Council Regulation No. 17 to oppose any form of combination that would lead to the monopoly of a market."

The Commission's document, "Concentration of Firms in the Common Market," expanded an earlier speech by EEC Commissioner Hans von der Groeben to the European Parliament in Strasbourg. Mr. von der Groeben proposed in June 1964 a five-point program to help Community firms compete more successfully in Europe's growing market.

Mergers Aid Production

The memorandum pointed out that productivity, technical progress and research can best be served by companies coming together by mergers, acquisition of holdings or the crea-

Trend toward larger companies: An aerial view of the processing and sales buildings of the B.A.S.F. complex (Badische Aniline and Soda Factory) in Ludwigshafen am Rhein, Germany.



tion of joint subsidiaries. The larger companies are often better able to adapt to Europe's expanding internal market and to keener international competition than smaller firms especially because of greater access to technical and capital resources, the report said.

To facilitate mergers and holdings across frontiers, the Commission urged the removal of obstacles arising from tax laws. Mergers, the report pointed out, are often discouraged by enterprises having to declare considerable tax reserves and pay taxes on them.

A special working group is considering these tax problems in preparation for a Commission proposal for the harmonization of direct taxation, particularly the taxation of corporate profits.

Company Law Needed

Another obstacle to international mergers and holdings, the Commission pointed out, is the absence of an international regulation for the combination of firms across frontiers. Consequently, the Commission will continue to study proposals for the creation of a company law.

Small and medium-size businesses are also considered important for effective competition in the Community. The report advocated the following measures to ensure their efficient operation:

- Early introduction of the proposed added value system of taxation.
- Relaxation of rules governing agreements on joint purchasing arrangements, specialization and rationalization.
- Approval of joint purchasing agreements.
- Review of national restrictions.
- Enactment of legislation to facilitate access to capital markets.

Commission To Guard Against Monopolies

While encouraging the bigness of firms, the Commission pledged to prevent the creation of monopolies as prohibited by Rome Treaty, Article 86 (ban on the abuse of dominant positions within the Common Market). The memorandum defined a monopoly, known in Community terminology as 'dominant position,' as the ability for a firm to exert a substantial and predictable influence over the market.

For example, the report pointed out that any company able effectively to oust competitors can be said to enjoy a dominant position even though its market share may be relatively small. Market dominance may have its roots in production, distribution or financial strength. Consequently, it must be examined in the light of a company's entire activities and relationship to the market.

Cases of abuse of dominant positions are illustrated by the Treaty as follows:

- Directly or indirectly imposing unfair purchase or selling prices or any other unfair trading conditions.
- Limiting production, markets or technical development to the disadvantage of customers.

- Requiring unequal terms of parties to transactions for equivalent products.
- Making the conclusion of a contract conditional to the parties' acceptance of additional supplies which have no natural or commercial connection with contract.

Price Undercutting Held Illegal

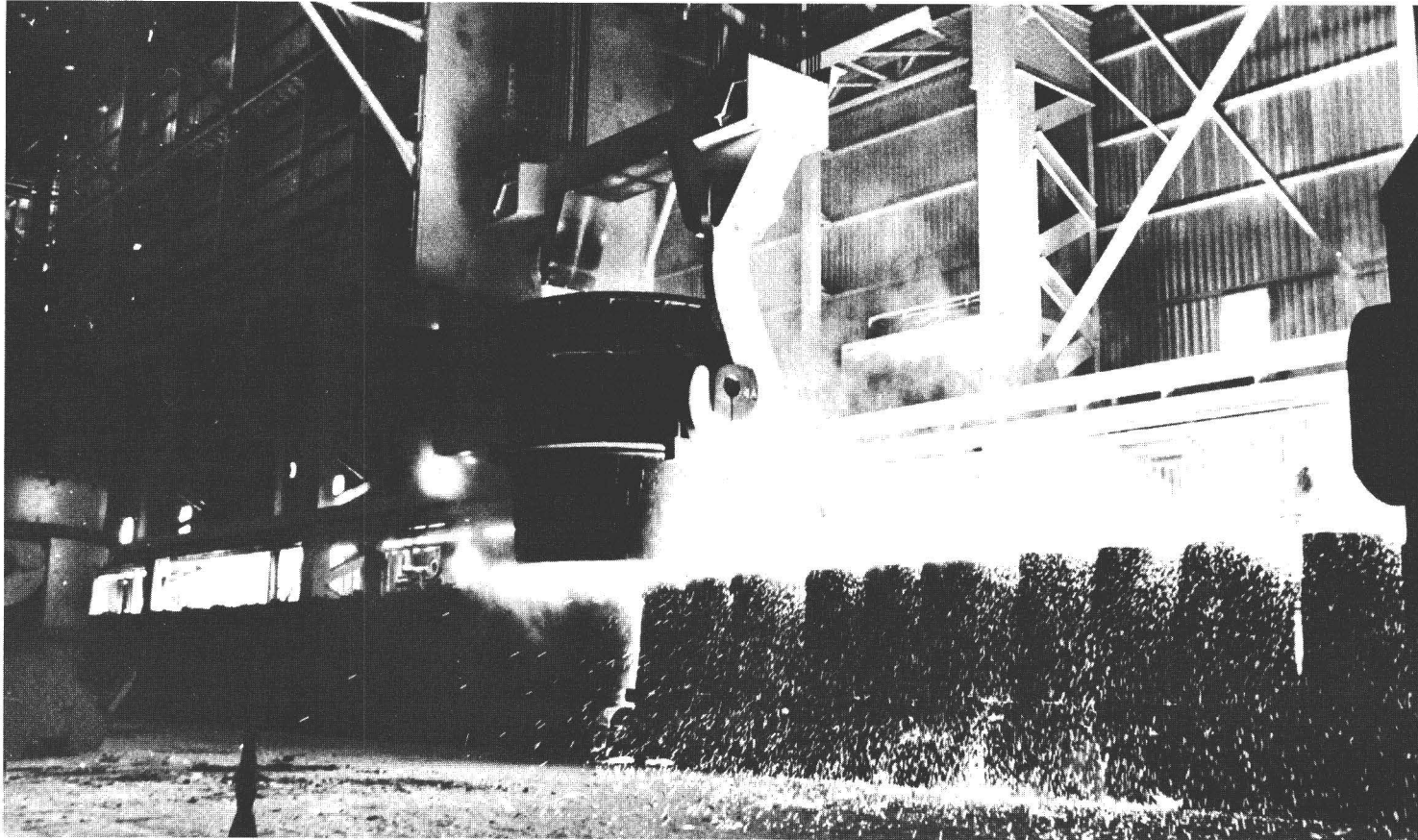
The Commission also considered as an abuse of dominant position the practice of price cutting to levels below a competitor's costs in order to force him out of business, agree to a merger, or accept other unfavorable terms.

The memorandum pointed out that the ban on abuse of dominant position is not directed only against particular improper practices in the market. On the contrary, activities

within companies such as limitations on production or technical development would also violate Community policy if prejudicial to consumer interest.

A monopoly position, the report said, removes the incentive to further technical development and greater productivity. It has the result of limiting the level of production so that prices are higher than they would be in a competitive market.

The Commission emphasized that a firm or group of firms constituting a monopoly would not be permitted if the dominant position were abused in the sense of Article 86 of the Treaty (prejudicing the freedom of action of suppliers, purchasers and consumers). "It is on this basis," the report said, "that a system of undistorted competition must be founded."



COMMUNITY STEEL OUTPUT DOUBLES OVER 15 YEARS

COMMUNITY STEEL PRODUCTION in 1965 reached a record total of 85.9 million metric tons—double the level of 1952 (the first year of the European Coal and Steel Community's existence).

However, Community coal production decreased 4.6 per cent in 1965 compared to 1964 due in part to shorter working hours and more workers leaving the mines.

Community steel production has increased 105 per cent since 1952, 48 per cent since 1958 and 17 per cent since 1961. Overall Community production was nearly 4 per cent higher in 1965 than the previous year. Increases occurred mainly in Italy (30 per cent) and the Netherlands (17 per cent). Production was relatively stable in the other member countries.

COMMUNITY CRUDE STEEL PRODUCTION 1952-1965
(million metric tons)

	1952	1958	1961	1964	1965	% 65/64
Germany	10.6	26.3	33.5	37.3	37.3	- 1.4
France	10.9	14.6	17.6	19.8	19.6	- 0.9
Italy	3.6	6.4	9.4	9.8	12.6	+29.
Netherlands	0.7	1.4	2.0	2.7	3.1	+17.3
Belgium	5.2	6.0	7.0	8.7	9.2	+ 5.
Luxembourg	3.0	3.4	4.1	4.6	4.6	+ 0.6
ECSC	42.0	58.0	73.5	82.9	85.9	+ 3.7

In comparison, United States crude steel output was 84.5 million metric tons in 1952, 115.3 million tons in 1964, and 119.0 million tons in 1965. The 1965 production represents

an increase of 40.2 per cent since 1952 and 3.2 per cent over last year.

December crude steel production in the Community reached 7.02 million metric tons. The output was slightly below the 7.06 million metric tons recorded in November 1965 and higher than the December 1964 production of 6.94 million metric tons. Although Community production remained relatively stable over the last two months of 1965, output dropped by over 200,000 metric tons in Germany. Production rose slightly during the same period in most other member countries.

New orders for steel products placed in the Community totalled 5,559,000 metric tons in December 1965. The amount fell only slightly below the record 1965 figure of 5.6 million metric tons in March. Export orders remained high at 1.2 million metric tons.

ROLLED STEEL ORDERS

(1000 metric tons)

	Community	Exports	Total
December 1965	4,382	1,177	5,559
November 1965	3,739	1,187	4,926
October 1965	3,928	1,030	4,958
December 1964	4,046	1,276	5,322

Community pig-iron production in 1965 rose by 4 per cent to a total of 63.2 million metric tons. The increase was particularly marked in Italy where new plant facilities contributed to a 56.6 per cent rise.

Coal Production Down

Coal output of 223.8 million metric tons in 1965 was 10.7 million metric tons below the 1964 level. The cutback was most noticeable in the largest Community coal-producing country, Germany, where production declined by 7.3 million metric tons. Output dropped 1.7 million metric tons in France and 1.5 million metric tons in Belgium.

COMMUNITY COAL PRODUCTION 1965

(million metric tons)

	Germany	France	Italy	Netherlands	Belgium	Community
1965	140.5	51.3	0.4	11.7	19.8	223.8
1964	147.8	53.0	0.5	11.8	21.3	234.5
Difference						
in tons	-7.3	-1.7	-0.1	-0.1	-1.5	-10.7
% difference	-4.9	-3.2	-21.	-0.9	-7.2	-4.6

Shorter hours caused the loss of about 2.2 million metric tons during the year. In addition, over 20,000 miners left the coal industry in the Community, representing a reduction of nearly 5 per cent compared to 3.4 per cent in 1964.

Productivity in the Community mines continued to rise in 1965 at about the same rate as the previous year. However, increased productivity was not sufficient to offset the rate at which workers left the industry. The smaller number of miners in the Community coal industry was only one cause of the 1965 drop in coal output. The main factors continued to be lower demand due to milder weather, larger consumer stocks, and competition from other energy sources.

NEWS BRIEFS

Common Market
Euratom
Coal & Steel Community

Euratom Signs New Association Contract

The Commission of the European Atomic Energy Community signed on January 4 in Brussels an association contract with the Belgian government for research on fast breeder reactors.

All work on fast reactors in the Community has now been brought under the Euratom research program. Parallel to the negotiations with the Belgian government, talks were held with the Dutch T.N.O. (Toegepast Natuurwetenschappelijk Onderzoek) and R.C.N. (Reactor Centrum Nederland) resulting in a similar association contract, signed on November 23, 1965. Other association agreements have been concluded by the Community with the French C.E.A. (Commissariat à l'Énergie Atomique), the German G.F.K. (Gesellschaft fuer Kernforschung), and the Italian C.N.E.N. (Comitato Nazionale per l'Energia Nucleare).

Fast breeder reactor development is a priority field of Euratom research for which the Community is allocating \$82.5 million dollars from the revised Second Five-Year Research Program, 1963-67. Along with the contributions of Euratom's associates, the total amount to be spent in the Community on fast reactor research during the five-year period is an estimated \$230 million.

The Euratom Commission and the Belgian government

also signed within the framework of the association agreement two contracts with the Belgian C.E.N. (Centre d'Étude de l'Énergie Nucleaire) and Belgonucleaire for carrying out the research program. Under these contracts Euratom will contribute \$1.1 million (35 per cent of the total costs) for a three-year period beginning January 1, 1965 for studies on the reprocessing of uranium-plutonium oxide and its use as fuel.

Under the agreement with the Dutch T.N.O. and R.C.N. Euratom will contribute \$1.4 million (35 per cent of the total costs) over the same period for research on the use of sodium as a coolant and the development of reactor components such as steam generators, heat exchangers, and sodium pumps.

Euratom's ECO Reactor Goes Critical

The ECO (Orgel Critical Assembly) reactor at Ispra, Italy went critical on December 15, 1965.

This development means that Euratom's Orgel project of heavy water-moderated, organic liquid-cooled reactors has its first major research equipment at its disposal. Construction on the ECO reactor was begun in 1962 by a group of Community firms with plans drawn up by Euratom's technical departments. Construction and operation costs of the facility are financed from Euratom's research budget.

ECO was conceived as an experimental reactor to study heavy water-moderated and organic-cooled lattices. The reactor's fuel is metallic uranium, uranium oxide or carbide; and fluids other than organic liquids may also be used as coolants. The ECO reactor is designed to operate at a very low power (1 kilowatt), just above the critical threshold at

which a nuclear reaction is sustained without any appreciable energy release.

A second Orgel reactor, the ESSOR (Orgel Test) reactor, is presently under construction and is expected to come into operation in 1967. Recent studies have shown that construction of a prototype Orgel reactor is feasible in the near future.

EEC Commission Proposes Orange Regulation

The EEC Commission proposed to the Council of Ministers a draft regulation in December to reduce orange prices and provide direct subsidies for Italian growers.

The regulation was prepared in response to member states' opposition to the increased prices which resulted from a new system of import protection established in 1965.

The new draft regulation for oranges would reduce the level of import protection to that of last year, about \$5.95 per 100 pounds for popular varieties. Any loss to Italian orange producers resulting from the lower reference price would be reimbursed by the Community's Agricultural Guidance and Guarantee Fund.

The Commission estimated that the total cost of this compensation would be only about 30 per cent of the cost paid by Community consumers under the present system. Countervailing duties would still come into effect if import prices fall under the lower minimum entry price.

Under a supplementary Commission proposal, Community exporters of oranges to member countries would receive subsidies from the producer countries for the marketing season 1965-66 equal to the difference between the current price and the reduced price suggested by the Commission. The new proposal was necessitated by the time period required for the compensation system in the draft regulation to take effect.

European Cement Cartel Violates Treaty

The EEC Commission informed 53 cement companies in Belgium, Germany, and the Netherlands in January that their attempt to control the Dutch cement market by a sales agreement violates Common Market anti-trust rules.

The companies are now subject to fines from \$1,000 to \$1,000,000 unless the agreement is disbanded or the offending clauses removed.

Parties to the agreement divided by means of quotas the task of supplying the Netherlands market with cement and cement clinker (an additional processing product) under fixed prices and sales conditions. Each company agreed not to construct a cement factory in another country without first obtaining consent from signers of the agreement registered in that country.

The Commission ruled that the cartel was prejudicial to trade in cement and cement clinker between the Netherlands, and Belgium and Germany and restricted competition on the Netherlands market. The agreement was not exempted from the Rome Treaty's ban on cartels on the grounds that it did not contribute to the improvement of production or distribution of goods nor to the promotion of technical or economic progress.

Social Fund Grants \$7,200,000 in 1965

The European Social Fund granted \$7,200,000 in 1965 to the member states for assistance to 121,865 workers.

The Fund, which was established by the Treaty of Rome,

is administered by the Commission of European Economic Community. It reimburses member states for 50 per cent of their expenditures for worker retraining and resettlement.

The Fund is intended to improve employment opportunities for workers and to promote their geographical and occupational mobility, particularly when unemployment results from new conditions created by the EEC. Since the inception of the Fund in 1961, the Commission has granted nearly \$32,000,000 to the six countries to aid 450,000 workers.

The Fund's resources come from member states' payments to the Community budget according to a scale in Article 200 (2) of the Rome Treaty. The Commission determines at the end of each year the amounts owed. At the end of 1965, Italy had a credit balance on the accounts, amounting to \$1,316,000. The other member states had debit balances totaling \$684,000 for Germany, \$286,000 for the Netherlands, \$167,000 for France, \$163,000 for Belgium, and \$14,500 for Luxembourg.

The amounts granted to each member country since 1961 are:

Belgium	\$ 1,895,292	6.0%
France	\$ 9,679,397	30.5%
Germany	\$ 6,884,644	21.7%
Italy	\$10,794,186	34.1%
Luxembourg	\$ 8,831	.1%
Netherlands	\$ 2,430,999	7.7%
Total	\$31,693,349	100%

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.

Feld, Werner, *The Court of the European Communities: New Dimensions in International Adjudication*, Martinus Nijhoff, The Hague, 1964, pp. 127.

This book serves as an introduction to the structure and functions of the European Court. After a description of the Court's organization, the author reviews its jurisdiction, sources of law, and procedure. He concludes with an analysis of the Court's influence on public opinion and its role in European integration.

Pehrsson, Hjalmar, and Wulf, Hanna (eds.), *The European Bibliography*, A. W. Sijthoff, Leyden, 1965, pp. 472. It includes works in six languages published in both Europe and the United States on politics, economics, history, art, and culture of Europe. Each entry is followed by a brief commentary in English and French.

Basch, Antonin, *Capital Markets of the European Economic Community: Problems of Integration*, Michigan International Business Studies, Number 3, University of Michigan, Ann Arbor, 1965, pp. 127.

A study of capital flows and markets in the EEC since 1958. The author discusses the inflationary developments in 1963-64 which led to the Council's recommendations to the member states in April, 1964. He then reviews the liberalization of capital movements among the six countries and prescribes measures for integration of capital markets in the future.

PUBLICATIONS AVAILABLE

LES CRITÈRES D'APPRÉCIATION DES PROJETS SOUMIS AU FONDS EUROPÉEN DE DÉVELOPPEMENT, *Série Développement de l'Outre-mer*, No. 3, EEC Commission, Brussels, 1965, 54 pages \$1.00

This report describes the criteria used by the EEC Commission for examining investment projects submitted to the European Development Fund by the Associated African states and Madagascar. It includes annexes on the criteria suggested by economic theory and on those used by other aid institutions.

TABLEAUX COMPARATIFS DES RÉGIMES DE SÉCURITÉ SOCIALE APPLICABLES DANS LES ÉTATS MEMBRES DES COMMUNAUTÉS EUROPÉENNES, RÉGIME MINIER, AU 1ER JANVIER 1965, EEC Commission and the High Authority, Luxembourg, 51 pages \$.50

Comparative tables of the social security systems applicable to the coal mining industry in the member states of the EEC as of January 1, 1965.

GUIDE DES COMMUNAUTÉS EUROPÉENNES, C.E.C.A.—C.E.E.—C.E.E.A., European Community Information Service, Brussels and Luxembourg, May 1965, 203 pages \$1.00

A complete directory of the institutions of the European Community. It includes organizational charts of the Community directorates, the Court of Justice, European Parliament, Council of Ministers, European Investment Bank, Joint Services, and the European Schools. Chief personnel for the above institutions are listed.

ADDRESS BY M. ROBERT MARJOLIN ON THE ECONOMIC SITUATION IN THE EUROPEAN COMMUNITY IN 1965 AND THE OUTLOOK FOR 1966, European Parliament, Strasbourg, January 18, 1966, 28 pages free

An annual presentation by M. Marjolin, Vice President of the EEC Commission.

A COMMON POLICY FOR THE MARKET IN FLOWERS, BULBS, PLANTS AND OTHER NON-EDIBLE HORTICULTURAL PRODUCTS, EEC Commission, Brussels, January 1966, 3 pages, (mimeographed) free

A summary of the draft regulation on the first stage of a common policy for the market in non-edible horticultural products.

THE FIRST 18 MONTHS OF THE SECOND EUROPEAN DEVELOPMENT FUND, EEC Commission, Brussels, January 1966, 8 pages, (mimeographed) free

A balance-sheet of the first 18 months' operations of the second European Development Fund.

SUMMARY OF THE FOURTH QUARTERLY SURVEY FOR 1965 ON THE ECONOMIC SITUATION IN THE COMMUNITY, EEC Commission, Brussels, January 1966, 4 pages (mimeographed) free

BASIC FACTS OF THE COMMON ORGANIZATION OF THE MARKET IN PIGMEAT, European Community Information Service, Brussels, September 1965, 46 pages . . . free
A complete description of the regulations governing pork products in the EEC. It includes annexes of trade statistics and reference prices.

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