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european community

COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM

COUNCIL DISCUSSES EXTERNAL RELATIONS, KENNEDY ROUND

Common Market for Olive Oil and Fruit and Vegetable Revisions Approved

OCTOBER COUNCIL OF MINISTERS meetings resulted in completion of regulations on the common market in olive oil, discussions of future relations with Austria, Iran, and Israel, and approval of the 1967 operating budgets for the European Economic Community and the European Atomic Energy Community.

The Council met three times during the month: October 19-20 with the participation of the transport ministers of the Six; October 24-25 with the agricultural ministers; and October 26-27 with the foreign ministers attending.

Agricultural Decisions

The EEC Council completed the common market organization for olive oil by adopting regulations which specify: the conditions for issuing import and export licenses; the intervention centers; refunds and levies on olive oil exports; and levies applicable to refined olive oil and certain products containing olive oil.

The Council set the threshold (minimum) price for imports at $79.80 for 220 lbs. (100 kilograms) and the target price for producers at $115.00 for 220 lbs, the differences to be made up by direct payments to producers. This is the first time that a system of Community aids to producers has been combined with a system of levies.

Originally, the Council had planned on November 1, 1966, as the effective date for the common market in olive oil. However, to allow the member states to finish necessary administrative arrangements, the effective date was postponed to November 10, 1966.

The Council also passed supplemental provisions for the common organization of the market in fruits and vegetables and extended quality standards to home-grown fruits and vegetables sold by retailers. Previously, marketing standards did not apply to produce sold in the same member country in which it had been grown.

The new standards will apply to cauliflower, tomatoes, apples and pears, peaches, citrus fruit, and table grapes from January 1, 1967. From January 1, 1968, they will cover lettuce, blanched chicory, endive, onions, apricots, plums, spinach, peas, beans, carrots, artichokes, cherries, and strawberries.

Other agricultural decisions concerned levies on mixed cereals, rice and broken rice, public health problems in live cattle and pigs and fresh meat in intra-Community trade.

External Affairs: Austria, Iran, Israel, Greece

The Council reviewed a report of the Committee of Permanent Representatives concerning the negotiations for an agreement between the Community and Austria. The report dealt primarily with problems related to agriculture and the creation of a preference zone for industrial goods. The Council noted that the distance had narrowed between the positions of the member governments.

The Council made arrangements to organize Community work for the Kennedy Round negotiations, taking into account the working timetable in Geneva. It approved Kennedy Round offers on tariffs applied to processed and semi-processed agricultural products (mainly foodstuffs), after adopting a regulation which establishes a Community system of trade in these goods. This system includes protection for processing industries in the Community and export refunds. It is closely linked to the Community system of trade in raw agricultural products.

In addition, the Council adopted a regulation on fats and oils traded between the Community and its associate, Greece. The regulation reconciles the common market organization for fats and oils with the terms of the Association Agreement between the EEC and Greece.

IN THIS ISSUE

Under the Community's trade agreement with Israel, the Council adopted a decision temporarily suspending the common customs tariffs on Israeli grapefruit sections.

The Council agreed to extend for one year the EEC's commercial agreement with Iran, which expires on December 1, 1966. It took, however, no action on the legal means of extending the accord.

Compromise Sought for Rate Bracket Impasse

Freight rate brackets and reference rates, the fulcrum of the common transport policy as outlined in June 1965, still divided the Council of Ministers at the October 19-20 meeting.

The Council asked the Commission to broaden its studies under the June agreement (see *European Community*, September 1966) to define more accurately the importance of the regulation on rate brackets in relation to the other regulations to be adopted within the context of the agreement.

The necessity of preventing the abuse of a dominant position and cutthroat competition has "been unanimously recognized," the Council said. It asked the Commission to propose measures relating to the capacity of road and river transport vehicles and entry to the profession. The Council instructed the Committee of Permanent Representatives to examine as soon as possible the question of safeguard measures and the Commission's proposals on competition rules, capacity regulation, inland waterway transport, and the International Rhine Navigation Union plan.

Community Budgets for 1967

The operating budget of the EEC was adopted by the Council, amounting to a total of $616,148,526. This sum will be divided in the following manner: European Social Fund—$23,002,606; European Agricultural Guidance and Guarantee Fund—$537,392,000; and administration—$55,733,920. The total budget is 68 per cent larger than last year's, most of the increase allocated to the Agricultural Fund.

ECSC CONGRESS EXPLORES AGRICULTURAL USES FOR STEEL

by **ROBERT BANGS,** *Senior Industrial Economist, U.S. Department of Commerce*

THE THREE-DAY CONGRESS drew 600 delegates from more than 30 countries in Europe, Africa, Asia, and North and South America. After the opening session on October 25, where background papers were presented on recent and future structural changes and trends in European agriculture, the Congress divided into four working parties: Steel in Farm Buildings and Installations, Steel in Agricultural Machinery, Steel in Storage and Marketing, and Steel in Agriculture of Developing Countries.

Steel Buildings—Durable, Adaptable

Many of the newer building designs feature speed of erection, adaptability to several purposes, durability, and low maintenance costs. Facilities for mechanical handling of material are being constantly improved. Many standard building components are being prefabricated.

Some radical innovations in structural characteristics and appearance of farm buildings were illustrated, such as roof trusses which often can eliminate interior supports, giving an uncluttered interior that can be arranged at will with movable partitions, or kept free if that is the most efficient use. Panels for lighting and ventilation can be incorporated in various ways in the sidewalls to suit particular uses.

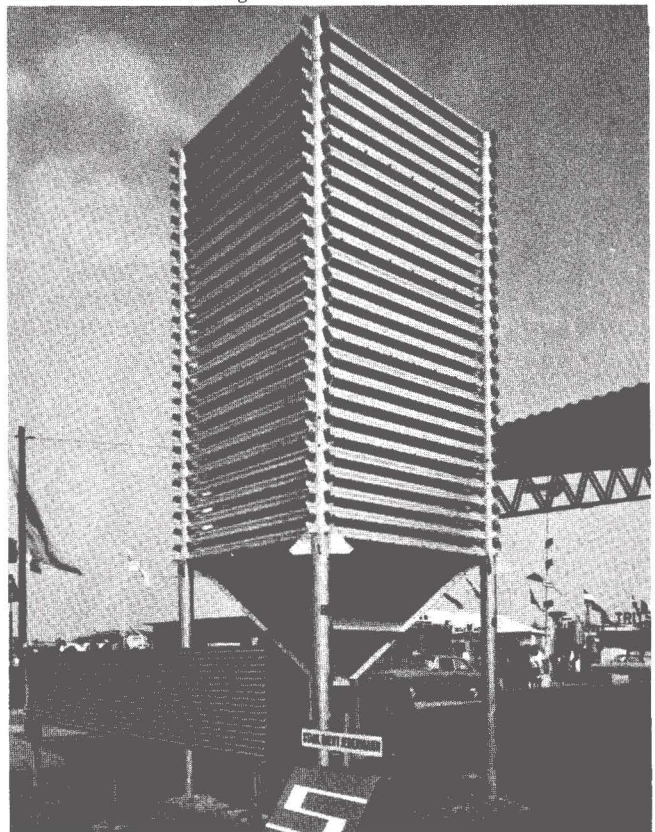
Lighter Weight Agricultural Implements

In agricultural implements, many current and future innovations were discussed. Emphasis is often on lighter weight components and on steels with special properties such as corrosion resistance or ability to retain a keen edge. Initial costs of these newer implements are often a little in excess of those of traditional design; longer service life and better performance make effective operating costs more than competitive. Education and sales effort will be needed to make clear these advantages.

For large scale agriculture (as practiced in Australia, Canada, Russia, and the U.S.), more special purpose machinery such as harvesters, combines, and the like are continually being perfected. These machines make possible very large savings in labor costs and increase output per man but, of course, require substantial capital investment.

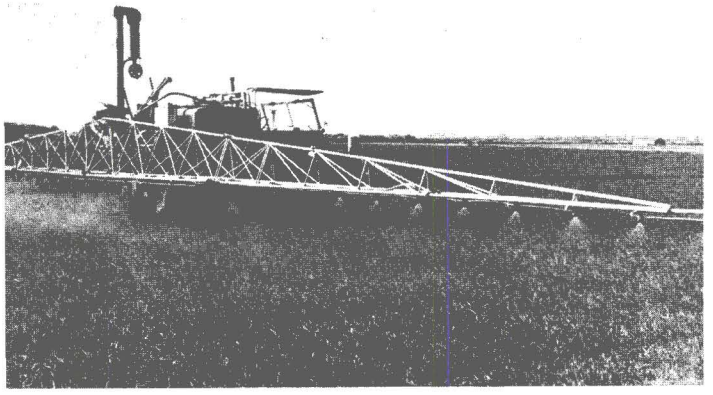
For small scale agriculture, as practiced in most less-devel-

Steel silos reduce storage losses.



Mr. Bangs attended the Third Annual Steel Congress in Luxembourg devoted to "Steel in Agriculture." He kindly agreed to review for European Community the highlights of the Congress, sponsored by the High Authority of the European Coal and Steel Community. His report does not imply or intend U.S. Government recommendation of the Congress, nor do his views necessarily reflect policies of any U.S. Government or Community institution.

The use of steel in agricultural construction and in farm machinery enables installations of scale, longer service life, and lower effective cost, despite initially high outlay.



oped countries, new designs in such smaller equipment as carts and wagons, animal drawn implements, and hand tools offer the promise of saving human effort and raising production per worker.

Reductions in Storage and Distribution Costs

New concepts and systems, continually coming forward in storage and distribution, emphasize cutting handling and storage costs and losses, improving quality control and packaging, and speeding transport. In all these applications steel, as the mass production material *par excellance,* is not only replacing other materials but also providing the framework for the newer methods.

Storage buildings were described that provide better ventilation and easier techniques for loading, unloading, and rotating bulk materials. For bagged or packaged material, techniques of handling, stacking, and controlling losses were illustrated. Portable storage facilities have numerous applications as supplements to fixed silos, warehouses, and elevators.

Less Spoilage—Higher Productivity in LDC's

Agricultural methods in the less-developed countries lag decades or centuries behind the most advanced practice. The problem amounts to accelerating the catching-up process as much as possible. Storage losses of crops and materials because of spoilage, pests, and pilferage detract heavily from agricultural income and foreign exchange earnings. To raise agricultural productivity in these countries requires capital, technical assistance and, above all, markets for their expanded output. If these elements can be provided, steel use will expand rapidly, not only in agriculture but, more importantly, in related industries.

The need to expand trade in both directions with the developing countries was a theme that occurred repeatedly. Advanced countries were urged to import more agricultural materials and particularly in semi-processed or processed form. Tariff structures that penalize producer-processed goods were mentioned several times. If the developing countries are to become better markets for steel products they must expand their export earnings.

Lively Working Sessions

Discussion in each of the working parties was lively, with many delegates taking the floor to expand on a point here, or dispute one there, or touch on some related topic not covered by the principal speakers. Perhaps one fourth of the delegates spoke at least once. In virtually all sessions, the chair had to limit discussion. Each working party held two half day sessions, alternated so that each delegate had an opportunity to participate in a full session of three different working parties if he wished.

Emphasis in the working parties was primarily on newer technology in utilizing steel in all possible agricultural applications. New designs for implements and buildings were discussed and in many cases illustrated with pictures, plans and drawings. Data on costs and productivity benefits were often included to show the superiority of new over older methods.

In the concluding plenary session, *rapporteurs* summarized the discussion in each working party for the benefit of all the delegates. Concluding talks stressed the work still to be done and the continuing need for an international dialogue on this and other topics.

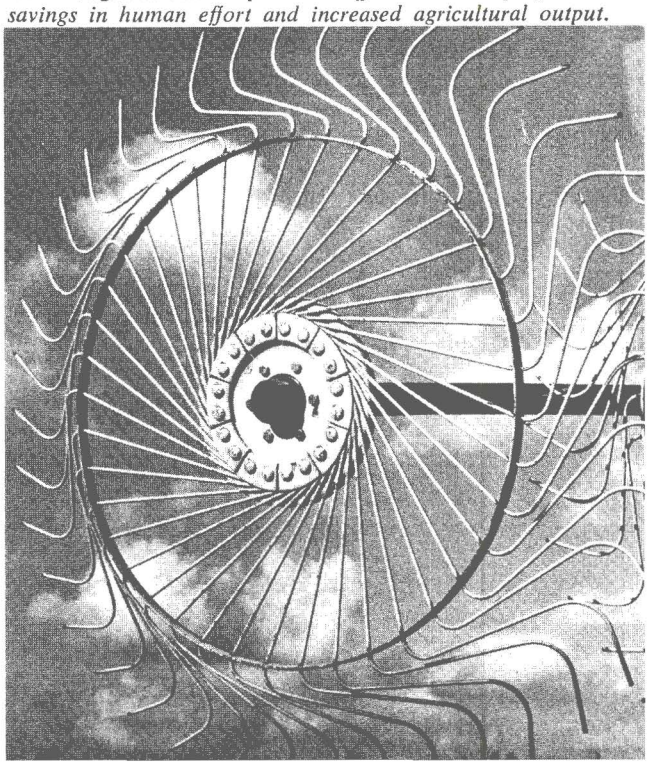
Informal Technical Exchanges Initiated

The Congress, well managed and organized, facilitated the exchange of ideas, facts, and views among the delegates.

Simultaneous translation from the speaker's language into four others was available at each seat. The proceedings of the Congress, to be published in English, French, German, Italian and Dutch, will constitute a valuable reference work for future study.

Meeting one's counterparts from other countries opens informal channels of communication between specialists in different areas of expert knowledge. Nearly all participants broadened their viewpoints in some resepcts and acquired new information of immediate practical value.

New designs in steel implements offer the developing countries savings in human effort and increased agricultural output.



CONSUMER POLICY DIFFUSED IN EUROPEAN COMMUNITY

Consumers Under-represented, Except in Agricultural Affairs

by **HILDA VAN PRAAG,** *Correspondent of Dutch Newspapers Het Vaderland and Handels en Transport Courant*

VISITORS TO BRUSSELS will not find a "Consumer Department" in the buildings which house the European Economic Community. For answers to questions about consumers' expenditures they must talk with the official who, as long as more urgent matters do not intervene, deals with consumer problems as part of agriculture, retailing, or legislative harmonization, for example. Nor do Community institutions have a department to inform the consumer.

Consumer Organizations Unknown in 1957

Consumers had no voice in negotiating the Rome Treaty instituting the European Economic Community. In 1957, consumer organizations were practically unknown, though a consumer organization in the Federal Republic of Germany already had eight million members. The Treaty addresses problems discussed during the negotiations. It does not assign direct responsibility to protect consumers to any EEC institution, though a few provisions may be construed to imply this obligation.

Article 2 calls "an accelerated raising of the standard of living" a basic Community objective. Article 39, which outlines the goals of the common agricultural policy, guarantees "reasonable prices" to consumers.

(Ed. note: Article 85 (3) specifies, among the conditions agreements in restraint of competition must fulfill to continue in force, that "an equitable share in the profit" resulting from restrictive agreements must be passed on to "users.")

Organize at Community Level, Commission Advised

Not until 1961 did consumers in the Community show signs of life. That year, Sicco L. Mansholt, Vice President of the EEC Commission in charge of agriculture, made it clear that organized consumers could legitimately oppose producers' proposals during the formulation of the common agricultural policy. But he warned that no one would listen to consumers, nor would they be represented on consultative committees in the Community, without a Community-level consumer organization.

By 1962, national consumer associations had formed a joint Community lobby, the European Office of Consumer Associations. The EEC Consumers Contact Committee, formed the same year, now represents the European Office, as well as the national consumer cooperatives, free trade unions, and family organizations. The Contact Committee makes general consumer policy which the four interest groups represented on the Committee administer in their own spheres of competence.

Consumers, thus organized, have sponsored several conferences since 1962. Comparative tests have been made on aspirins, washing machines, cameras, and fog lights. The national consumer associations have published the findings in their magazines.

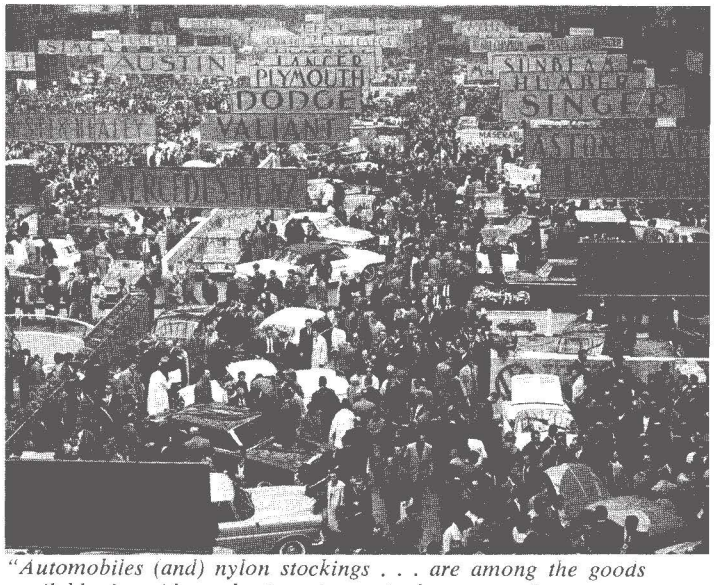
The opinions expressed by the author in this article do not necessarily represent the views of any Community institution or official.

Consumers Participated in Farm Decisions

Consumer representatives have participated systematically only in the activities of the EEC Commission's agricultural department. There, consumers receive equal treatment in meetings of a special contact committee on agriculture. Thus, the EEC Consumers Contact Committee has shown greatest interest in the common agricultural policy and legislation on food products. When the Commission plans a new regulation on a product, it informs the consumers and the manufacturing industry simultaneously.

The Commission has one consultative committee for each agricultural product subject to a common market organization. Representatives of farming interests, wholesalers, retailers, and each of the four consumer lobbies which belong to the EEC Consumers Contact Committee participate in these meetings.

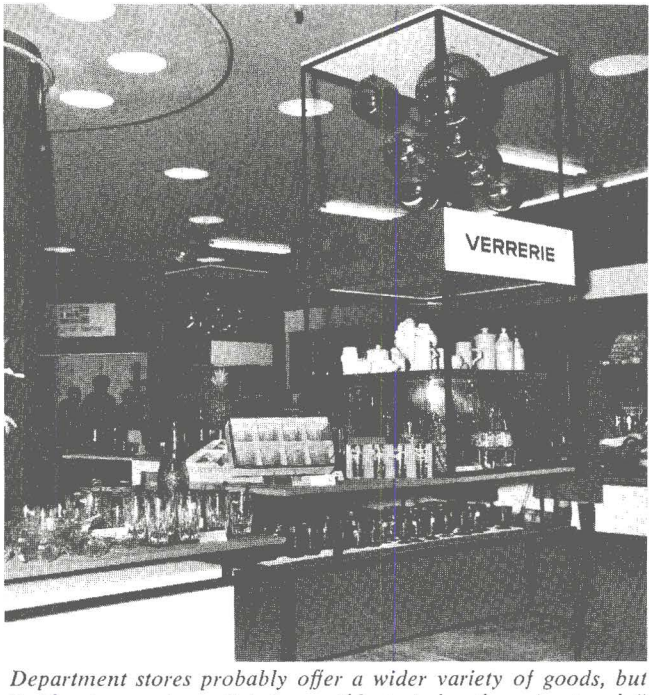
Consumers have four seats each on the 36-member grain committee, the 28-member milk committee, and the 32-member beef committee. Consumer groups, though inade-



"Automobiles (and) nylon stockings . . . are among the goods available in wider selection, increasingly more advantageous prices, and sometimes better quality."

quately represented, have stopped complaining about underrepresentation on committees. The committees do not vote. Any minority can record its views in the committee report and make them known to the public. The Commission pays committee members' expenses.

An early and common complaint was that consumer representatives did not have appropriate standing and that industrial interests and officials discounted consumers' opinions before hearing them. These complaints have subsided, primarily because in the selection of consumer representatives, their expertise has taken precedence over national and political considerations. The current Dutch consumers' representative on the Contact Committee, for example, also sits on the official Dutch Economic and Social Council and belongs to the Dutch consumer organization.



Department stores probably offer a wider variety of goods, but "without more facts, it is impossible to judge the price trends."

How Has Common Market Affected Consumers?

Available statistical information does not allow a meaningful evaluation of the Common Market's effects on EEC consumers. No recent annual report of the Contact Committee is available. The annual report of the EEC Commission first mentioned the consumer in 1963.

In 1964, imports of consumer goods from other member countries still represented only 12.5 per cent of domestic consumption in the Netherlands. In France, the figure was only 2 per cent, and only 3.5 per cent for the Community as a whole.

Freer trade and keener competition in the Common Market have, nevertheless, clearly affected a few of the 300 products which the Commission has examined. Automobiles, nylon stockings, refrigerators and other electrical appliances are among the goods available in a wider selection, increasingly more advantageous prices, and sometimes better quality.

As far as prices are concerned, the Commission's 1965-66 report states that the EEC Statistical Office is conducting a survey of clothing sold in department stores. Joint purchasing arrangements have probably enabled these stores to offer a wider selection of merchandise. Without more

"Consumer representatives have participated systematically only in the activities of the EEC Commission's agricultural department."

facts, it is impossible to judge the price trend.

"Competition does not seem to be working very effectively at the distributive level," the Commission has said. Its competition policy opposes exclusive dealing agreements between companies, but technical and safety regulations, which are only slowly being harmonized, also restrict trade. Of the 50 regulations on harmonization planned, five have been put into effect. Only the regulations on coloring agents in foodstuffs and on agents used to preserve fresh meat in transport directly concern the consumer. Agreement on uniform rules for free trade in pharmaceutical products has proven difficult. Consumers groups have complained that the Commission does not consult them frequently enough.

The Dutch Government commented in its annual report on the Common Market to the Dutch parliament: "The Contact Committee still has no general consultative powers, as have the employers' associations, the trade unions and the farmers' representatives. Widening its consultative powers could help the consumer make himself felt at the Community level."

IN 1962, U.S. GOVERNMENT CREATED ITS FIRST CONSUMER AGENCY

Consumers in the United States started to organize privately in 1899, with the formation of the National Consumers' League. Because many laws affecting consumers originate in state legislatures, the National Consumers' League has consistently worked to organize consumers at the state level, supported actively by labor unions and, to a lesser extent, universities. Fifteen states now have consumer organizations.

The first centralized U.S. Government agency to specialize in information for and about consumers was created in July 1962. In 1964, it became part of the President's Committee on Consumer Interests, directed by Esther Peterson, Special Assistant to the President for Consumer Affairs. The Food and Drug Administration, the Departments of Agriculture, Labor, Commerce, and other U.S. Government agencies still collect and disseminate consumer information in their own areas of competence. The President's Committee on Consumer Interests helps to channel inquiries to the proper source, speaks for the consumer in the Administration, promotes consumer education, and recommends legislation.

NEW COLLECTIVE BARGAINING PATTERNS IN EEC

by **BERT SEIDMAN,** *Director, Social Security Department, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO); formerly, AFL-CIO European Economic Representative in Geneva*

COLLECTIVE BARGAINING has the same basic objectives in Europe as in the United States. Methods of pursuing them differ greatly, however, because of differences in the way the European and the American labor movements are organized.

Americans notice first that in Europe, collective bargaining is highly centralized at the national level. National negotiations determine overall trends and minimum standards for wages and working conditions. Plant bargaining or unilateral management decisions exert a greater influence on workers' terms of employment, however.

Secondly, nearly everywhere in Western Europe there are "works councils" elected by employees in companies, plants or units, from slates nominated by the major union or unions. Although most works council members belong to unions, unions cannot directly influence the council itself. In some ways, the council competes with unions for workers' loyalties.

The works council seldom negotiates new contracts, but does perform many other functions of U.S. unions, such as representing workers in grievance disputes. In addition, employers are supposed to inform, and often consult, the works council on the business outlook, proposed changes in technical equipment or operations, and many other non-bargaining matters.

Bargaining Issues Differ

Because European and American labor laws governing various aspects of employee-employer relations differ, so do collective bargaining issues.

For example, since all workers in the European Economic Community are covered by national health plans, only supplementary insurance constitutes a bargaining issue. On the other hand, minimum wages and employers' and unions' rights and obligations, unregulated by laws in EEC countries, frequently enter into negotiations.

Legal authorization for applying the terms of collective agreements to companies and workers not affiliated with the contracting parties further distinguishes European from American collective bargaining. Some European countries permit, while other require, such recognition.

What Are the Issues?

European and American unions agree on the main collective bargaining issues: wages, hours, holidays, vacations, premium pay for overtime, insurance benefits to supplement government programs, and severance pay. Negotiators on both sides of the Atlantic also attempt to secure protection for workers against technological and other changes, inflation, and discriminatory practices. Union security arrangements which are contrary to trade union policies or national law in most European countries, are not an issue.

Reproduced in part from the August 1966 issue of "The American Federationist," with the permission of the AFL-CIO. The opinions expressed in this article do not necessarily reflect the policies of European Community institutions.

What Have European Unions Won?

In the past decade, European unions have negotiated more impressive wage, vacation, and holiday increases than unions in the United States. Except in a few isolated industries, however, a work week reduced from 48 to 40 hours, a goal since World War II, still remains a few years distant.

Negotiated wage increases have been sizable, but:

- Real earnings have risen much more slowly than money wages, because living costs have increased significantly.
- Actual increases in earnings have risen twice as fast as wage increases negotiated at the national level.

Europeans call the difference between the actual percentage rise in earnings and the percentage wage increase negotiated on the national level the "wage drift". Unions generally regard the wage drift as a sign that nationally-bargained wage increases have been too low in terms of what most employers can afford to pay.

A random summary of major European unions' collective bargaining accomplishments may better indicate other, less easily discernible trends.

Federal Republic of Germany

In a pace-setting agreement which almost caused a nationwide work stoppage, the German Metalworkers Union won a wage increase of 6 per cent for 1966 and 5 per cent for 1967. The contract also provides for a 40-hour schedule to begin on January 1, 1967. All major industries expect a 40-hour week by 1968.

Fringe benefits cost German employers an estimated 30 per cent more than direct wages and salaries. They include: paid vacations and holidays and paid loss-of-work time; sickness and accident benefits; long service, and other special bonuses; supplementary health, accident and retirement benefits; company medical services; supplementary family allowances (in addition to those granted by law); recreation

Labor Told to Unite at European Level

August Cool, President of the European Organization of the International Confederation of Christian Trade Unions (ICCTU) told European trade unions to integrate at Community level to strengthen their bargaining positions.

The ICCTU met in Amsterdam October 6-8 for its Annual Conference. In a report presented at the meeting, Mr. Cool also raised the possibility of working more closely with the Communist unions, if they demonstrate a positive attitude towards European integration.

The ICCTU and the unions belonging to the International Confederation of Free Trade Unions (ICFTU) represent about half of organized labor in the Community. The unions belonging to the World Federation of Trade Unions (WFTU), with headquarters in Prague, Czechoslovakia, represent the others. WFTU unions are strongest in France and Italy.

facilities, canteens, and other employer-paid facilities and services.

The impact of automation on jobs increasingly concerns German unions. Through collective bargaining, they want to minimize unfavorable effects on workers and ensure them an equitable share in gains resulting from technological advances.

During the entire postwar period, German trade unions have sought "co-determination," union participation in the management of all large firms (already won in the key coal and steel industries). At the same time, they are experimenting with savings and investment schemes, to give workers a financial stake in the nation's growing wealth.

Italy

The free Italian trade unions—the Italian Confederation of Labor Unions (CISL) and the Italian Union of Labor (UIL)—have faced special problems in collective bargaining. Unemployment has been approximately at U.S. levels. Large Italian employers, strongly organized into amply financed associations, tend to be stubborn negotiators. Further complications arise from the political orientation of the Communist-dominated Italian General Confederation of Labor (OGIL), probably larger than the combined membership of CISL and UIL.

Still, nationally-negotiated wage increases, since the late 1940's, have averaged about 5 per cent yearly. Bargaining, centralized at the national level, has focused on the minimum rates and standards which employer groups claimed marginal firms could afford.

The unions recognize that a growing number of technologically-advanced private firms and large government-controlled industrial enterprises pay their workers either less than they can afford or above contract rates not subject to union control. The unions have begun to press for meaningful bargaining at industry and plant levels. The major employer organizations have agreed to supplementary negotiations at these lower levels, but in practice, refuse to engage in significant bargaining.

Unions in the metal industry have just scored what may be a breakthrough, in an agreement with an employers' organization of medium-sized and small firms. The unions hope to use this contract as a wedge in negotiations with large industrial enterprises.

The contract sets actual plant-level standards and occupational wage structures. It raises wages 11 to 12 per cent above actual earnings (22 per cent above the previous national contract rate); reduces the work week by one to one and a half hours; increases severance pay; and improves health and accident insurance. The contract also provides for union recognition, including the check-off.

Belgium

Belgian unions have improved fringe benefits and paid vacations. Added to government social security payments, the supplementary retirement pensions they have won amount to 75 to 90 per cent of workers' earnings. They have also obtained better supplementary unemployment benefits which raise normal unemployment insurance to between 50 and 75 per cent of wages. The negotiated extension of paid vacations from 2 to 3 weeks provides for payment of at least double wages for the vacation period.

Members of Belgian unions see no reason to share benefits won by union action with non-union members. To deal with this situation, the U.S. has chosen the union shop. Belgian trade unions, instead, have won special benefits for members, usually, in the form of a bonus paid only to union members at vacation time. Sometimes, union members receive extra unemployment or retirement benefits.

The largest women's strike Europe has ever had occurred in Belgium, when 3,500 women struck a rifle factory near Liège. During the three-month long, partially successful strike, they demanded equal pay for equal work, under the International Labor Organization standards and the Rome Treaty instituting the European Economic Community, both ratified by Belgium.

Women pickets demand "equal pay for equal work" during their strike against a rifle plant near Liège.

The Netherlands

Dutch unions have won a 20 per cent increase in the national minimum wage, longer paid vacations, vacation bonuses, supplementary retirement pensions and escalator clauses. An hours' reduction time-table will bring the 40-hour week in 1970.

However, a shift now occurring, from union participation in government wage-controls to freer wage bargaining, may prove more important in the long-term. More Dutch leaders believe that plants should have greater responsibility for negotiations with employers.

Dutch unions have arranged in collective bargaining for employers to contribute to the cost of union research, educational, cultural and welfare programs. This financial boost frees union dues for use in improving wages and working conditions.

France

Perhaps no West European union has faced more difficult problems than the *Force Ouvière* (FO), the French trade union organization affiliated with the International Confederation of Free Trade Unions (ICFTU). The complex French trade union situation can only be sketched. The CGT, by far the largest national trade union organization, is Communist dominated. The next largest, CFDT (Christian), recently concluded an uneasy alliance with the CGT. This pact has made FO's position, as an organization completely faithful to democratic trade union principles, even more difficult.

French employers are strongly organized. The Government does little to hide its anti-union prejudice. Still, free

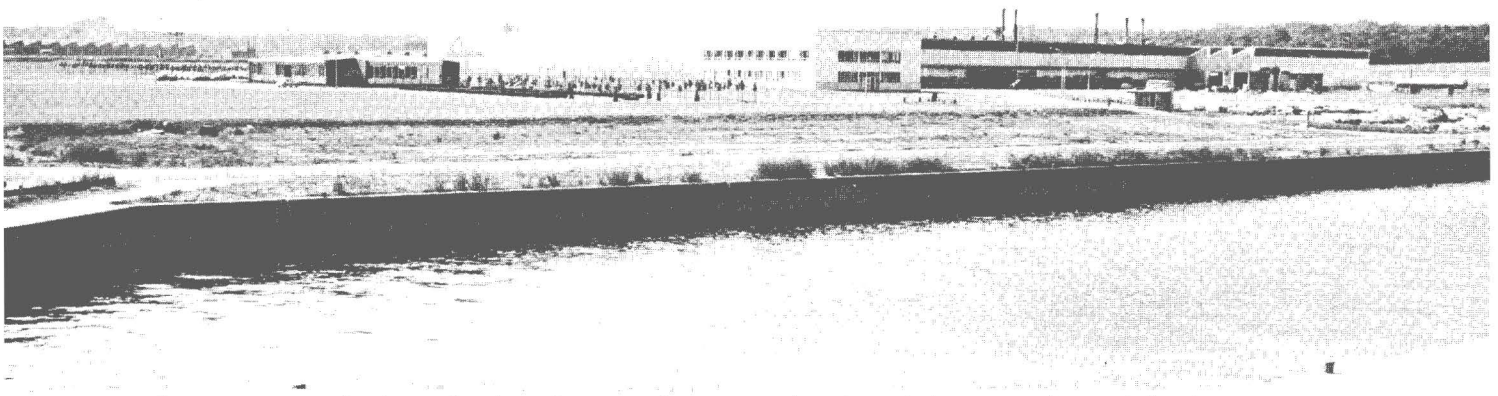
French unions have negotiated supplementary unemployment and retirement benefits and paid four-week vacations.

Progress, But Dissatisfaction

Most European unions, not yet satisfied, are analyzing their own short-comings to improve their negotiating positions and to strengthen their direct influence over workers at the plant level. European unions also realize that, as business internationalizes, collective bargaining must cross national borders. Thus, in March 1964, the ICFTU unions created a committee to coordinate collective bargaining with firms located in the six EEC countries.

The political, especially socialistic, orientation of European unions is often considered a major difference between the European and the American labor movements. Now, however, socialist and labor platforms call for a mixed economy not unlike the "Great Society," which the American labor movement actively supports. More importantly, European trade unions, increasingly independent, are developing their own programs and policies, geared to the needs and aspirations of union members.

The free trade union movements of the EEC and the United States have always shared ideals. Their collective bargaining methods, though now more similar, will never be identical, because of basic differences in the organization of European and American unions.



The new Aleurope *aluminum plant brought new work to miners when the coalmines across the canal closed.*

"ALEUROPE"—A CASE STUDY OF INDUSTRIAL REDEVELOPMENT

ECSC Retrained Displaced Miners, Helped Finance New Plant in Coal Town

"THE PAY'S BETTER IN THE MINES, but the work kills you. . . . Since I've been here, I feel like a new man!" said Ottorino Belluchi of his new job in the *Aleurope* aluminum fabricating plant in Ghlin, Belgium. An Italian, now 46 years old, he had worked 14 years at the coalface to support his Belgian wife and two children. Then, cheaper energy sources forced his mine to close.

Ottorino Belluchi, like more than 175,000 displaced coalminers, was retrained under a program run by the High Authority of the European Coal and Steel Community and the member governments. The program also brought *Aleurope* to Ghlin, a town in the Borinage, one of the oldest coalmining regions in Continental Europe.

Even if coalmines will never reopen, unemployed miners, in the Borinage as in Appalachia, prefer to stay near home. The Community has learned to entice new employers into depressed areas, offering them attractive financing terms and skilled labor. It retrains the miners and gives them living allowances to facilitate the transition from high wages, reflecting the dangers and discomforts of mining, to lower wages paid in manufacturing industries.

New industry does not grow overnight. Miners only gradually acclimate to new working and living conditions. Both *Aleurope*'s management and its future employees found the beginnings difficult.

Problems Challenge Management

Siting, financing, and staffing the new aluminum plant challenged *Aleurope* management's ingenuity. As in other old mining areas, abandoned workings honeycombed the Ghlin subsoil. The building site had to support the full weight of a $12 million modern factory.

Loans of $2.5 million each from the High Authority and the Belgian industrial credit corporation alleviated financing worries. They covered 40 per cent of the investment undertaken by Belgian interests and the U.S. company, Reynolds Metal.

The smokestack and rubble mark the site of an abandoned coal mine at Ghlin, Belgium.

Most retrained coalminers feel that more pleasant working conditions make up for lower salaries at Aleurope.

The task of staffing fell to Victor Finet, a former mining engineer whose own retraining in the aluminum industry had taken him to the U.S. and Canada. Initially, Mr. Finet had difficulty in finding not only skilled workers and foremen, but also men able and willing to start a new life in their thirties, forties, and older. Many workers had left the area when the mines started to close. Others had found new jobs by themselves. Many older workers had taken the chance offered to retire early.

In the past three and a half years, Mr. Finet has succeeded. The average age of the *Aleurope* workers has fallen to 35. Former miners (Italian, Spanish, Greek, French, Belgian, and one Scot) comprise 28 per cent of *Aleurope's* present workforce. All received equal treatment under the ECSC retraining and placement program.

For older men, as Joseph Pierson, secretary of *Aleurope* remarked, the adjustment to lower wages is more difficult. "In the mines, they earned between $8.00 and $10.00 a day. Only a few will ever earn that much with us . . . they have gotten used to poor working conditions and high wages."

Victor Finet, a retrained mining engineer, at first found his new job of staffing the Aleurope *plant difficult.*

"Do I like working at Aleurope *better? And how!" said Ottorino Belluchi.*

Allowances—A Vital Part of ECSC Program

The ECSC allowances have formed a vital part of the High Authority's retraining and re-employment policies.

"ECSC allowances help during the first year. After that, the workers must make out on their own," Mr. Pierson commented.

Workers retraining for new jobs receive a "tide-over" allowance, equivalent during the first four months to 100 per cent of their former wages, with a ceiling of $280.00. During the second four months, they receive 80 per cent of their wages in mining, and in the third four-month period, 60 per cent. Miners who immediately find new jobs, but at lower wages, receive allowances to cover the difference between the old wages and the new. Workers who must move before finding new work receive a removal allowance under the ECSC re-employment program.

In Belgium, 82 per cent of the displaced miners have received ECSC allowances. (The others either found work at equivalent or higher wages or retired early.) By January 31, 1966, more than 49,000 workers in Belgium had participated in the ECSC reemployment programs, at a cost to the High Authority of $15.5 million.

New Ambassadors Present Credentials

Six new ambassadors to the European Economic Community and the European Atomic Energy Community in Brussels have presented their credentials:

CANADA: *Paul Tremblay*

LEBANON: *Kesrouan Labaki*

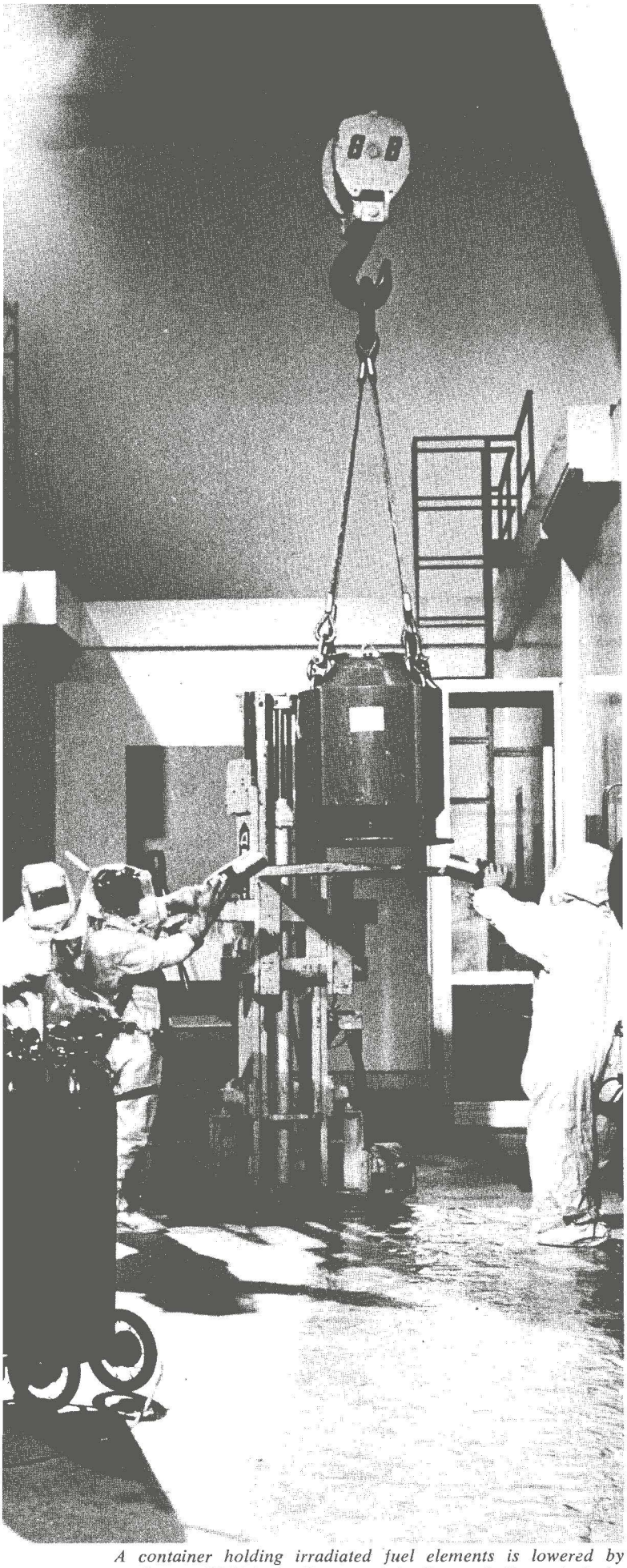
PAKISTAN: *Osman Ali*

THE REPUBLIC OF IRELAND: *Sean Morrissey*

KOREA: *Duk Choo Moon*

THE UNITED ARAB REPUBLIC: *Amin M. Chaker*

The new Korean and Egyptian ambassadors to the Communities are also the first appointed by their Governments.



A container holding irradiated fuel elements is lowered by workers at ISPRA, the Euratom Joint Research Center in Italy.

U.S.—EUROPE GAP IN SCIENCE

European Parliament Calls on Commun

"THERE IS MORE AND MORE TALK TODAY about scientific research and its importance, but it is doubtful whether the public really appreciates the part science plays in our society. . . . To be a leading nation, having equipment for mass production is not enough; you have to be able to refashion your products and techniques at a pace which, there is every reason to believe, will grow faster in the future."

Robert Marjolin, Vice President of the European Economic Community Commission, thus summarized Europe's concern over its "technological gap," during debate on October 18 in the European Parliament. The European Parliament had expressed the same concern in its Annual Report, presented at a joint meeting on September 23-24 to the Council of Europe. Prepared by Diomède Catroux, rapporteur and chairman of the Parliament's Science and Culture Committee, the Annual Report urged the EEC member states to start coordinating scientific and technological research policy. It recommended that the Community allow other countries, notably Britain, to participate in their research efforts, through membership in the Community.

October Debate in European Parliament

On October 18-19, the European Parliament debated the Community's role in promoting scientific and technological research. Debate centered on three reports.

- The report by W. J. Schuijt urged the inclusion of a common policy on science in the European Economic Community's medium-term economic policy. The report suggested that the inter-Executive Working Party on Scientific and Technological Research coordinate policies with the member states, pending fusion of the EEC Executive with the Executives of the European Coal and Steel Community and the European Atomic Energy Community. Mr. Marjolin spoke in favor of this proposal.

As amended, on motion by M.A.P. Oele, the Schuijt report recommended that the United Kingdom, "in anticipation of its acceptance of the treaty instituting the Common Market . . .," be invited to participate in Community research and in the preparation of a common policy on science.

- The report by M.A.P. Oele, after examining research in the six member states, made similar recommendations but proposed that Euratom coordinate national policies and administer the common policy.
- The report by E. Battaglia reviewed the Ninth Annual Report of the Euratom Commission. It criticized a lack of political will necessary to coordinate the member states' scientific and technological research policies.

Euratom Commissioner M. P. de Groote, author of a report on Euratom's experience in research, prepared for the Euratom Commission, answered this criticism during the debate. Mr. Groote also commented on suggestions made in the Oele and Schuijt reports.

On October 19, the European Parliament adopted a resolution which suggested that, pending fusion of the three Community executive bodies, each Community administer, within the context of EEC medium-term economic policy, the spe-

TECHNOLOGY WIDENING

Coordinate Research

cific areas of scientific and research policy delegated by the Paris and Rome Treaties. It proposed that the inter-Executive Scientific and Technological Research Committee coordinate the member states' research policies.

Is There a Technological Gap?

The "brain drain" and the deficit in the technological balance of payments reveal Europe's lag in science and technology as compared with the United States. Europe's low expenditures on research partially explain why Europe has not caught up with the United States, according to the "Catroux report."

Germany, for example, averaged a loss of 124 researchers and 301 engineers to the United States each year from 1956-61. During the same period, each year 26 French researchers and 56 French engineers, on the average, went to work in the United States. Few American scientists went to Europe to do research. This net loss of scientific research talent, if allowed to continue, jeopardizes Europe's economic future, the report said.

Europe also paid more for the use of foreign patents and processes than it received for the sale and use of its technological knowledge. The United States earned a $514 million surplus in its technological balance of payments. Small in absolute terms, this figure does not reflect the indirect, multiplier effects of research on the American economy, the Catroux report maintained.

Everywhere the costs of scientific and technological research are rising faster than gross national product. However, while research represents 3 per cent of the U.S. gross national product, European countries invest about 1 per cent. Europe's relatively low rate of investment in research, still more apparent in absolute figures, partially explains why Europe has not caught up with the U.S. in post-war years.

Why Does Europe Neglect Research?

In Europe research and companies must operate within the same confines, relatively narrow in comparison with the United States. Although European countries have not yet found a way to pool their resources in all types of scientific research, they should re-examine their own roles in their national research efforts, the Oele report suggested.

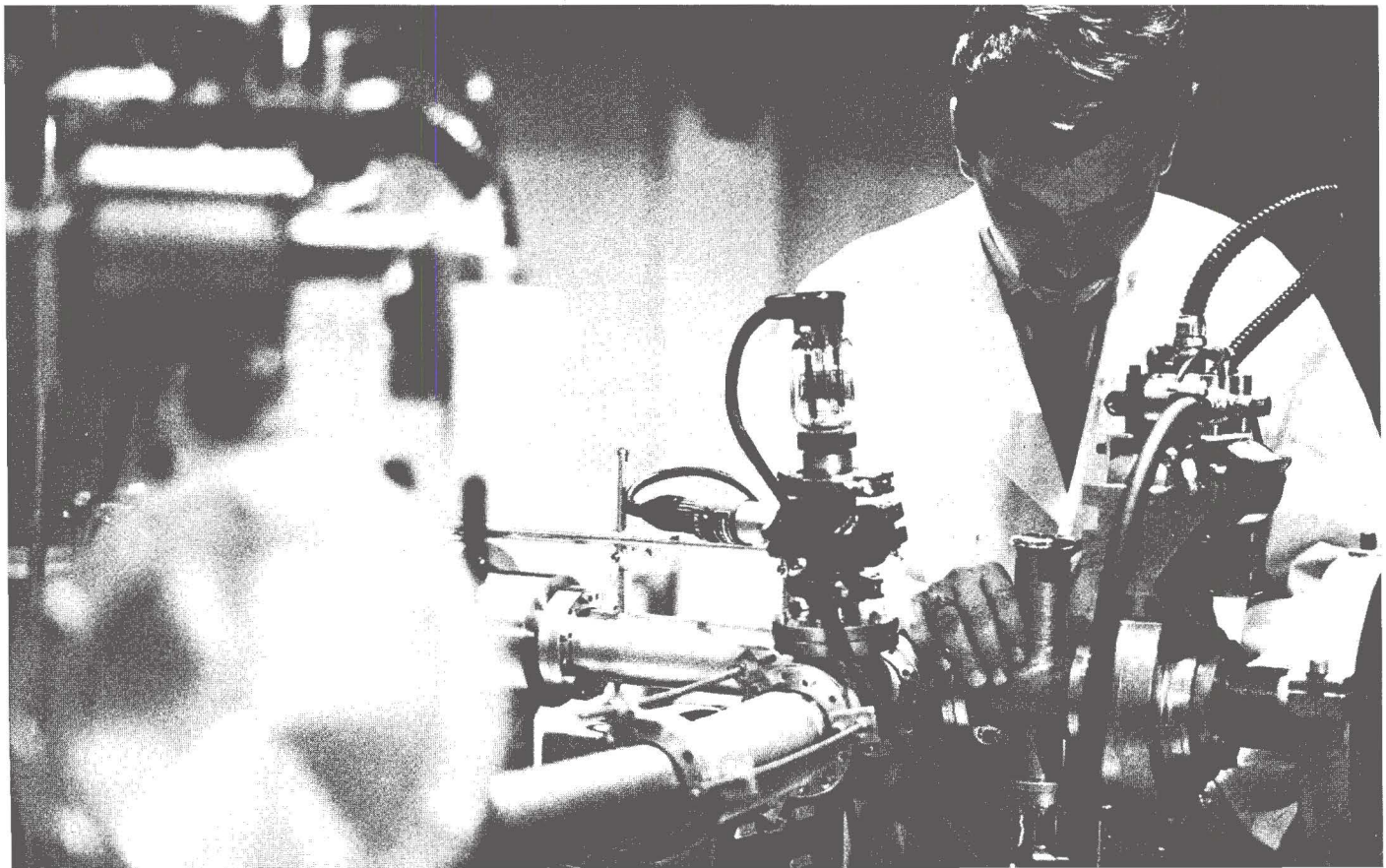
Only a few large companies can afford their own research divisions. In Belgium, for example, 47 per cent of the companies employing more than 1000 persons maintained independent research divisions. Of those employing fewer than 50 persons, only 4 per cent did.

Even large companies find it increasingly difficult to defray the steadily rising costs of modern technological research. Furthermore, gains in each economic sector depend on discoveries in others. The machine tool industry, for example, must look to electronics and chemistry to improve its productivity.

The technologically most advanced country today, the United States, devotes a large part of its "investments in the future" to research projects outside the normal civilian market: space exploration, military equipment and other programs in the national interest. To a much greater extent than in Europe, private funds also finance pure research, but partially because manufacturers know they can rely on Government purchases (chiefly military) to help them recover their research costs.

The Catroux report remarked that while it has not been proven that the U.S. wastes scientific talent by over-emphasizing military research, discoveries in electronics, chemistry,

"Even large companies find it increasingly difficult to defray the steadily rising costs of modern technological research."



Diomède Catroux, chairman of the European Parliament's Science and Culture Committee takes the floor during the Joint Meeting of the European Parliament and the Council of Europe in September.

and data processing would not have been made had the innovators not been assured of having the U.S. Government as a customer for the new products. The report recommended that the member states re-examine their own positions, as potential customers and as sources of financing.

Research at National Level

The Oele report brought out the difference in responsibilities over scientific and technological research assumed by each EEC government. The state sets science policy in all Community countries but the Netherlands and Luxembourg.

Government's direct and indirect participation in financing research expenses varies from a high of two-thirds in France, to one-third in the Netherlands, where private business does 64 per cent of all research. Government guides research most closely in France and Italy.

France and Italy both maintain national research centers with laboratories for experimental work. Both national centers also channel funds to other government research institutes and to projects executed in private and university centers.

The Belgian Government likewise maintains two purely administrative institutes which together receive 13 per cent of Belgium's scientific research budget. Belgian university research centers receive 20 per cent. In addition, 55 industry associations carry on joint research activities, highly developed in Belgium.

The principal research center in the Federal Republic of Germany, "the DFG," has no laboratories of its own. An autonomous organization, it was created to administer research funds contributed by the federal government, the Länder, and private business.

France, Italy, and Belgium maintain nuclear research institutes. Most member states also have institutes which do research on public health; sometimes private, as in the case of the Pasteur Institute in France; sometimes owned by the Government, as in Italy.

Private research institutes, formed solely or mainly to encourage scientific research play a less important role in Community countries than in the United States. Universities, which traditionally perform scientific research to complement teaching functions, are most active in pure research. Gradually, both Government and business are entrusting more research contracts to them, a tendency especially strong in Germany.

Greater Will to Cooperate on Joint Projects

Paralleling efforts at the national level to improve scientific and technological research, the member states have demonstrated a greater willingness to cooperate on joint projects.

In addition to the joint nuclear projects under Euratom, member countries have participated in joint projects with other countries. However, the Catroux report noted, when all parties do not share common policies political uncertainties raise doubts about whether all contracting parties will

Unilever and a few other large companies maintain their own research departments.

honor joint research agreements for their duration. The report illustrated this situation with the Franco-British *Concorde* project to develop a supersonic aircraft. New governments came to power in both France and Britain, and inherited ambitious, costly and long-term commitments to the *Concorde* project. Both new governments found that their powers to change social, economic, defense, and foreign policies were limited by the previous governments' decisions.

Research at Community Level

Each member state has sizeable research talent, money, and institutions, but only pooling these resources will enable scientific research on a modern scale the Catroux report said. It then examined the Community's research-related activities.

The EEC Commission, in its medium-term economic policy proposals stressed the necessity of coordinating the member states' research programs. In March 1965, at the suggestion of one member state, the EEC Commission was asked to report to the Council of Ministers on the areas most deficient in research activities, and most crucial for economic progress. In October 1965, a Scientific and Technological Research Committee was created, bringing together members of the EEC, ECSC, and Euratom executive bodies. The Parliament would have this Committee coordinate the member states' research activities.

The treaties instituting the EEC, the ECSC, and Euratom assign limited responsibility over Community-level research. Thus, the ECSC High Authority has observed: "A Community policy and research budget is now only possible for the nuclear industry and for the coal and steel industries; no Community action is planned in other industries. It is imperative to correct this situation. . . ."

Only the ECSC and Euratom have experience in actual research. Of the two, Euratom has had the broadest variety of contacts, summarized in the De Groote report. Euratom has worked with Community and national public institutions, with private groups, and with non-member countries, particularly the United States and Britain.

Suggestions for A Common Scientific Research Policy

Debate on the Battaglia, Oele, and Schiujt reports produced many concrete suggestions for Community action in the field of scientific and technological research. Euratom Commissioner De Groote, commenting in the Battaglia report, noted that it had properly analyzed Euratom's dual research task: to coordinate and supplement the national programs. Progress made in nuclear science under Euratom programs would have been impossible without political will, he indicated.

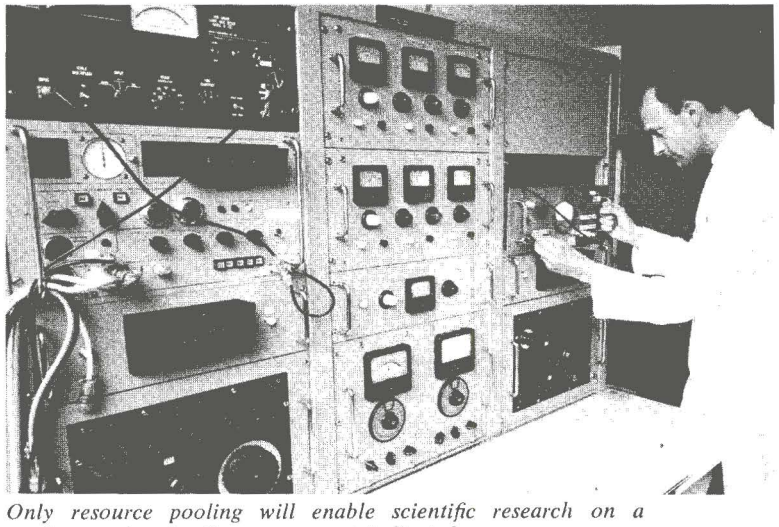
Mr. De Groote said that the merger of the EEC, ECSC, and Euratom Executives would obviate the need to select one Community to administer a common scientific research policy. Speaking for the Euratom Commission, Mr. De Groote said he did not believe it was "a good idea to establish an organic link between economic policy and scientific research."

Euratom's experience, he said, had shown a common policy for basic and general applied research to be "possible, desirable, and promising." For applied industrial research, the Community could only "establish the necessary conditions for (its) development . . . and . . . promote research with other countries." A common policy for applied industrial research faces business reluctance to share discoveries with competitors, Mr. De Groote pointed out. Some countries, as a matter of principle, oppose any government interference with private business, he added, while others do not want to contribute to projects which do not directly benefit their economies. The Community should act as a research "catalyst in the strict sense of the word," Mr. De Groote said.

EEC Vice President Marjolin said that economic development today depends on technological and scientific innovations. Both the Schuijt and the Oele reports emphasized that "scientific and technological research policy has become . . . a part of economic policy," he said.

Mr. Marjolin suggested that the member states could stimulate research by raising the level of higher education, making liberal research grants to universities and similar institutions, and increasing public funds for research. In addition, he said, obstacles to the formation of optimum-sized companies should be removed.

In fusing the three Executives, the Community's present responsibilities over nuclear research and research in the coal and steel industries should be extended to include all areas of research, Mr. Marjolin said. The Community should select a few highly important projects, and there should be freedom of movement for research workers among universities and institutes in the member countries.



Only resource pooling will enable scientific research on a modern scale, the Catroux report indicated.

All three reports, Mr. De Groote, and Mr. Marjolin emphasized the importance of instituting clearing-houses for technological and scientific information. All likewise stressed the importance of encouraging joint research projects, especially by collaborating with more technologically-advanced countries outside the Community.

Telefunken-CAE Computer Accord Signed

A French and a German computer manufacturer have signed an agreement on digital computer applications.

The German firm, *Telefunken,* and the *Compagnie européenne d'automatisme électronique (CAE)* will assemble hybrid computer systems together. Each company will sell the systems in its own country. (See also *European Community,* October 1966.)

Hybrid systems, highly developed in the United States, require ultra-modern calculating equipment. Combining the speed and flexibility of analogue computers and the accuracy of digital computers, hybrid computer systems offer new possibilities in data processing.

European railroads, long accustomed to international cooperation, face new tasks in adapting to the Common Market. Courtesy France Actuelle.

EUROPEAN RAILROADS FACE NEW TASKS

Community and Railroads Consider Future under Common Transport Policy

TRAFFIC-CHOKED ROADS AND CROWDED AIR LANES, in Europe as in the United States, have proven that transport systems need good railroads even more today than ten years ago.

To consider the new tasks facing the railroads, fifty experts, government officials, and representatives of the European Economic Community and the European Coal and Steel Community met in Brussels from October 24-28. The EEC Commission had arranged the Conference at the request of the Council of Ministers.

Operating in a common market requires more than the traditional international cooperation between European railroads, EEC Commissioner Lambert Schaus told the conferees. Like other Community industries, the six national railroads must learn to live in a single market.

The conferees decided on four major points to guide the Community in elaborating the common transport policy, and the railroads in adapting to a single enlarged market:

- Railroads, like any other business, should follow policies appropriate to assure their financial independence. They should, therefore, be free to set rates within undecided limits.
- The public authorities should give only as much support to railroads as the economic situation and regional necessities require. Necessary support should be compensated.
- Costs of infrastructure, (tracks, roads, air terminals) should be apportioned among the carriers and the users, according to common criteria. These criteria will also allow the rational selection and coordination of investments.
- Close cooperation must be established between railroads, other types of transport, and users, primarily to achieve the lowest possible overall cost for the Community.

The experts also agreed that action under these guidelines should be prompt so that the principle of competition is not jeopardized.

Grundig-CGTSF to Work on Color TV

The Grundig Company of Germany and the largest French electronics manufacturer, *Compagnie générale de Télégraphie sans fil* (CGTSF) have concluded a cooperative agreement covering color television and micro-miniaturized electronic devices. Neither company has indicated whether cooperation was planned in production and distribution, or only in research and development.

Of the two companies, Grundig holds the stronger position in the television market. Germany is becoming the French company's second most important market after Italy. CGTSF holds stock in *Compagnie française de télévision,* the perfector of the SECam color television system now competing for European approval with the German PAL system.

BUSINESS PATTERNS OF THE NUCLEAR FUEL INDUSTRY

Trend Towards Vertical Concentration Noted

By **ROLAND TURK,** *Deputy Head of the Economy Directorate, European Atomic Energy Community*

NUCLEAR INDUSTRY IN THE COMMUNITY and throughout the world is starting out with prospects of swift and large-scale development. While industrial policies are being charted, it is worthwhile to examine the Community's long-term supply requirements, industrial resources for satisfying them, and commercial relationships between producer and consumer.

How Big Is the Community's Long-term Supply Problem?

There is increasing agreement that a nuclear plant's prospective lifetime is 30 years. Thus, a plant commissioned in 1970 would be maintained in operation until 2000. Many nuclear energy producers will no doubt assess their fuel supply problem over the lifetime of the plant.

The following figures give an idea of the foreseeable trend of Community nuclear requirements in metric tons of natural uranium metal:

Cumulative requirements	1970-1980	54,000
	1970-2000	332,000
Annual requirements	1970	2,300
	1980	8,200
	2000	15,600

They represent overall demand, including the uranium necessary for the production of enriched fuel.

Expressed, likewise, in tons of natural uranium metal, the enriched uranium requirements envisaged in the target program can be summarized as follows:

Cumulative requirements	1970-1980	17,000
	1970-2000	106,200
Annual requirements	1970	1,500
	1980	3,700
	2000	2,500

Plutonium requirements will not assume industrial proportions until the end of the next decade.

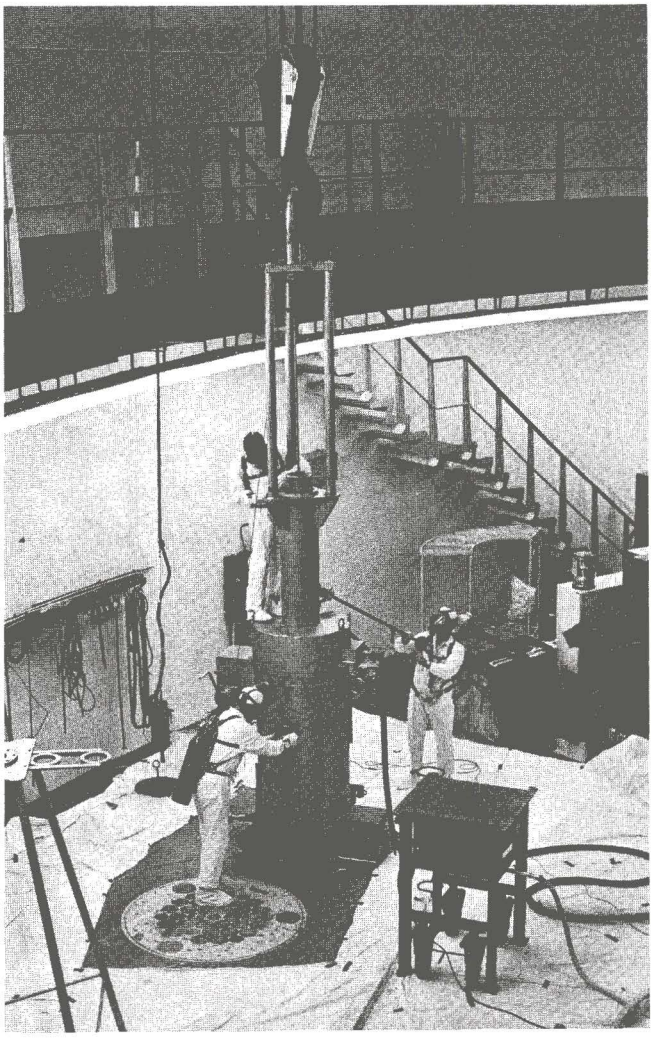
These minimal estimates are based on targets for nuclear electricity production which appear increasingly conservative in view of the competitive capacity of nuclear energy. A desire to assimilate nuclear energy into the overall pattern of energy production and to permit a reasonable rate of construction dictated these targets. Applications of nuclear energy other than for electricity generation have not been entered into the forecasts because of inadequate data.

These estimates are founded on what is generally considered a realistic appraisal of the pace of technical progress. "Proven-type" thermal reactors (for example, graphite gas reactors operating on natural uranium and water reactors using enriched uranium) will be supplemented by "advanced" thermal reactors and eventually by fast breeders as well.

Advanced thermal reactors burn less uranium per kw-hr than the proven types. Fast breeders break all records for uranium economy. Fast reactors contain a core of plutonium, a fissile material, and a "blanket" consisting mainly of fertile materials, such as "depleted" uranium. During operation, fast reactors convert more depleted uranium into plutonium than they consume. The plutonium required to start fast reactors can be drawn from the spent and reprocessed fuel of thermal reactors. Since fertile materials can be obtained from thermal reactors as well as from enrichment plant wastage, fast reactors could be fueled with the by-products of thermal reactors. In any case, their fresh uranium requirements will be small.

Taking the most conservative view (that in the year 2000, the present proven-type reactors would still predominate), the cumulative uranium demand over the next 30 years would double and enriched uranium requirements would treble. Uncertainty persists about the course to be pursued in nuclear industrial policy. The figures quoted make no allowance for plutonium recycling in thermal reactors or the possibility of fueling all or some advanced reactors with enriched uranium. The exact requirements for natural uranium, enriched uranium and plutonium are still indefinite. It is certain, however, that the estimate of overall

"The value added to nuclear fuel in processing explains why countries encourage their own industries and why, for balance-of-payments reasons, they try to export their resources in the most highly-processed state possible." Inspection of the fuel elements, ISPRA I, Italy.



uranium needs is rock-bottom and that technical advance is a key factor in determining nuclear fuel supply. It may even be said that preparing to use plutonium as a main fuel would minimize the long-term natural uranium supply problem and that suddenly the Community would no longer have to depend on the outside world for fuel supplies. But this reversal will only occur between 1980-2000, provided that the use of uranium as a basic fuel in thermal reactors has yielded significant quantities of plutonium and provided that fast reactors make the grade industrially. Thus, a steep rise in uranium requirements will give place to a decline towards the end of the century.

Trend Towards Vertical Concentration

The trend towards "vertical" concentration in nuclear industry is emerging throughout the free world. However, the depressed state of the uranium market has prompted certain ore-mining undertakings to abandon all or part of their activities to larger concerns. "Horizontal" concentration is not limited to mining but extends to the enrichment industry where the U.S. Atomic Energy Commission controls the market. By refusing to compete among themselves, Community users can improve their bargaining position.

Quite apart from the organizational set-up (vertical or horizontal) adopted by producers, consumers benefit from pooling their resources for certain fuel cycling operations to make the best use of their capacity. Several power plant operators could, for instance, dovetail their reprocessing, conversion and transportation programs to obtain better terms from their contractors.

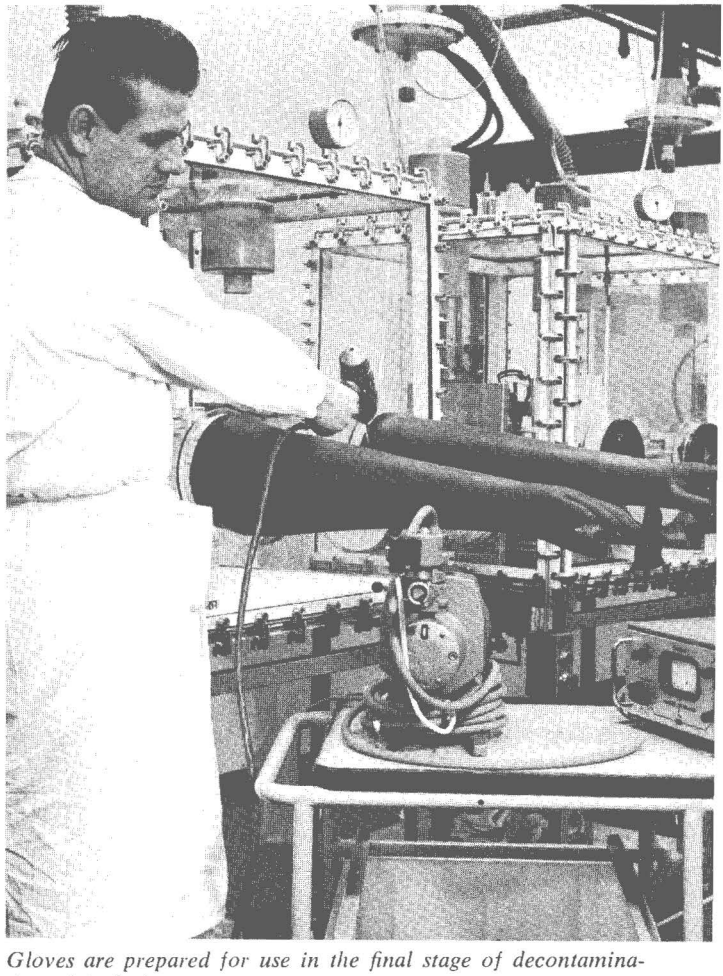
The problem producer states face with regard to the proliferation of nuclear weapons suggests that trading in nuclear fuels will remain subject to end-use conditions. This may well limit the attempts of users and producers alike to bring about a more rational use of the available plant. The recently initiated tendency towards removing restrictions may, nonetheless, ultimately produce a market somewhat similar to that for fossil fuels.

All these considerations again focus attention on the magnitude and the variety of problems involved in fueling the Community's power reactors. If present estimates prove accurate, these specifically industrial features will progressively accentuate as plutonium replaces uranium as a reactor fuel. There are indications that in another 25 years reprocessing an artificial fuel which occurs as an inevitable byproduct may overshadow the problem of extracting fuel reserves from the earth. For the Community, the switchover would prove all the more dramatic. Its fuel (apart from the fresh uranium required at the outset) would then be home-produced, whereas uranium requirements have to be met largely from imports.

Until then, the Community's nuclear industries should keep well in mind the problem of access to uranium resources, in view of the delays and uncertainties involved in prospecting. A long-term solution is vital for the development of nuclear energy within the Community.

Meeting Demand—The Role of the Mining Industry

To meet the rising but shifting demand, it will be necessary to push ahead vigorously with the development of a large-scale mining and fuel-processing industry. Uranium resources must grow with demand. Reserves priced between \$8-10 per pound of uranium concentrate (U_3O_8) could theoretically meet industrial needs until around the end of the next decade, disregarding possible extraction rates.



Gloves are prepared for use in the final stage of decontamination of fuel pins.

Long-term supply contracts, now the practice, force world demand to anticipate supply by several years. Considering the time it takes to discover new uranium deposits, it is generally agreed that large-scale prospecting must be resumed without delay. However, unless the public authorities reduce the mining industry's political risks and financial burdens, prospecting for cheap uranium will offer no profit incentive. Long-term supply contracts will remain the Community's only alternative. Its internal resources, which would meet only a small part of its needs, should be stockpiled as a hedge against a breakdown in the imported supply.

Although long-term forecasters are reluctant to tackle uranium price trends, prices may be expected to fall as economically exploitable reserves rise. Operating costs of marginal mines and the high amortization rates that producers will need will also affect prices. However, fluctuations in the cost of fuel, even in the highly processed state, can have only a slight effect on the overall nuclear energy economy.

Meeting Demand—The Role of the Fuel Processing Industry

Ignoring the high-precision engineering required in "cladding," a complex and costly process produces fuel used in reactors. This production cost vastly enhances the value of the primary product. Transportation costs must then be added in direct proportion to the geographical dispersion of the different reprocessing stages.

For their fuel supplies, reactors must therefore depend on an industrial sector subject to far more demanding physical and chemical specifications than those normally accepted for non-ferrous metals and fossil fuels. Because the user bases his fuel-cost estimate on the price of the finished product, the existence of an efficient nuclear fuel industry is an equally significant component of nuclear energy cost.

The value added to nuclear fuel in processing explains why countries encourage their own industries and why, for balance of payments reasons, they try to export their resources in the most highly-processed state possible. The development of a nuclear fuel industry would similarly benefit the Community.

Once plutonium becomes the most common nuclear fuel, the Community's fuel-processing industry will be virtually independent of imports, if its prices and quality are competitive in world markets.

Conditions governing the availability of raw fuel determine whether supplies can be said to be "dependable." Any bottleneck at any stage of industrial fuel processing would jeopardize deliveries. Here, the Community would definitely benefit from a sound fuel-processing industry.

The appeal of long-term arrangements for access to uranium resources does not extend to fuel fabrication where the consumer has good grounds for restricting himself to short-term commitments in view of the greater degree of competition likely to obtain.

NEWS BRIEFS

Common Market
Euratom
Coal & Steel Community

Atlantic Union—"Unrealistic" at Present

The prime U.S. foreign policy objective in Western Europe should be to encourage a united Europe, according to George W. Ball, former U.S. Under Secretary of State.

Mr. Ball made the statement, as Acting Secretary of State, to the House Committee on Foreign Affairs on September 20, eight days before his resignation from the State Department became effective. "The great disparity in size and resources between America . . . and the individual nation-states of Europe" makes any immediate move toward Atlantic federalism politically unfeasible, he indicated. Instead of promoting an "unrealistic" policy for Atlantic union, the U.S. should "encourage the nations of Western Europe to move toward unity." At the same time, they should work to perfect transatlantic institutions to make an effective partnership possible, Mr. Ball said.

"Western Europe lies between the United States and the Soviet Union. It is still the center of power," Mr. Ball continued. "It is imperative . . . that Europe get on with its own special task of unity if we are finally to deal on a basis of true equality across the Atlantic. . . . Efforts to build the basis of Atlantic partnership cannot . . . await the full achievement of a united Europe." Mr. Ball did not rule out the possibility that "When Americans and Europeans can address each other as true equals" they may want a more binding Atlantic association. "But to press such association at the present time on an unwilling and unequal Europe could well postpone the future dawn of a more perfect unity," he concluded.

NOTICE

In accordance with the U.S. Securities and Exchange Commission regulations, the High Authority published on October 26, 1966, its Balance Sheet as of June 30, 1966, and its Statement of Revenues and Expenditures for the fiscal year 1965-66.

This information is published in connection with European Coal and Steel Community Bonds issued in the United States under applications:

A — 16929 dated April 16, 1957

A — 17648 dated July 7, 1958

A — 19218 dated October 18, 1960 and

A — 20452 dated May 15, 1962.

Twenty-five copies of "Supplemental Information to Bond Holders" have been deposited with The Chase Manhattan Bank, New York, N.Y.

EIB to Assist Greek and German Plants

Two loans by the European Investment Bank will further industrial development in Greece and in a depressed area in Germany.

The Bank will lend *Aluminium de Grèce* $10 million of the $133 million estimated cost of building an aluminum plant on the Gulf of Corinth. The plant will create more than a thousand permanent jobs. It will have an annual production capacity of 200,000 tons of alumina and 72,000 tons of aluminum. The French company Pechiney, the major shareholder, will supervise technical, financial, and commercial operations of *Aluminium de Grèce*.

The other loan, for $2 million, will help the Olympia company finance the construction of a new calculating machine factory in Brunswick near the German interzonal border. The new $6.4 million plant will replace existing facilities and raise the work force from 1,500 to 1,850.

"Legalize" Vanilla, Producers Ask

Vanilla producing countries would like their second best customer, the members of European Economic Community, to give the word "vanilla" legal protection. Consumers now associate "vanilla" with the taste of synthetics which food processors have long substituted for more expensive natural vanilla imported from the tropics. Proper labeling, they believe, will enable the consumer to choose between real vanilla and the synthetics.

The EEC Commission's Directorate General for Overseas Development, in a recent report on the developing countries' produce and trade, indicated that such legal protection could help increase Community consumption of vanilla exported by the EEC's African and Malagasy associates. The report mentioned that instead of buying its usual 70 per cent of the world vanilla crop, the U.S.

bought 85 per cent in 1965 after passing a law requiring artificial ingredients to be marked on product labels.

Normally, the Community buys 20 per cent of the world vanilla crop. It makes most of its purchases from the EEC-associated countries and French overseas departments and territories.

The vanilla producing countries have already agreed on minimum prices, quotas, and other measures to stabilize vanilla prices. France, in March 1966, enacted a law which protects "vanilla" from competition with cheap artificial vanilla.

EEC Fights Occupational Diseases

The European Economic Community has renewed its campaign against occupational diseases.

The EEC Commission sent a recommendation in September to the member states urging them to require medical examination of workers exposed to health hazards. It also adopted a recommendation to harmonize conditions governing compensation payments to victims of occupational diseases throughout the Community. The Commission had already made recommendations on health facilities at work and compiled a Community list of occupational diseases.

Workers exposed to health hazards should undergo medical examinations, one new recommendation suggests. It specifies the following occasions: upon taking a new job, at regular intervals while in dangerous employment, after frequent, short absences due to illness, and on returning to work after a long absence due to illness or accident. The Commission asked the member states to put this recommendation into effect within two years.

The other new recommendation suggests harmonizing throughout the Community the conditions which victims of occupational diseases must fulfill to collect compensation. In particular, it recommends the harmonization of minimum exposure times after which a victim of an occupational disease may receive compensation and harmonization of the permissible time lapse between exposure and the worker's claim for compensation. It also seeks protection for workers exposed to occupational diseases which do not appear on the Community list.

Consumers Attack Farm Policy Accords

The prices set under the common farm policy take greater account of growers' demands than of real market needs, the Common Market Consumers Contact Committee has charged.

The agricultural decisions, the Committee believes, will put a heavier burden on the consumer. It fears the European public will lose interest in a Community which ignores their needs.

Tests-Achats, a bulletin published by the French Consumers Association, echoed this complaint, saying that the common farm policy insulates the farmer against competition. While a short-term political and social case can be made for the common farm policy, the French association believes, in the long-term it will waste money, distort the distribution of productive factors, and impair the efficiency of the economy.

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.*

The Superparliaments. By J. Allan Hovey, Jr. Frederick A. Praeger, Inc., New York, 215 pages, Tables, Index, and Bibliography.

The first critical analysis of interparliamentary assemblies and their role in Atlantic affairs.

The author, in reviewing the history of the NATO Parliamentarians' Conference, draws on other principal organizations' experience. He concludes that "Interparliamentary assemblies have exerted a salutary influence on the formulation and the popularization of international policy." The superparliament has become an institution.

However, the author suggests a reduction in the number of existing assemblies and redefinition of their functions, methods, powers, and areas of responsibility.

The Common Market's Labor Programs. By Mark J. Fitzgerald, C.S.C., University of Notre Dame Press, Notre Dame and London, 233 pages, Notes and Index.

A review of labor programs and problems in the European Coal and Steel Community and European Economic Community.

The author examines the development of labor programs in the European Community, their organization, purposes, and achievements. He also reviews related problems, such as vocational training and retraining, employment conditions, housing, working conditions, and trends in the member states' wage standards and industrial relations.

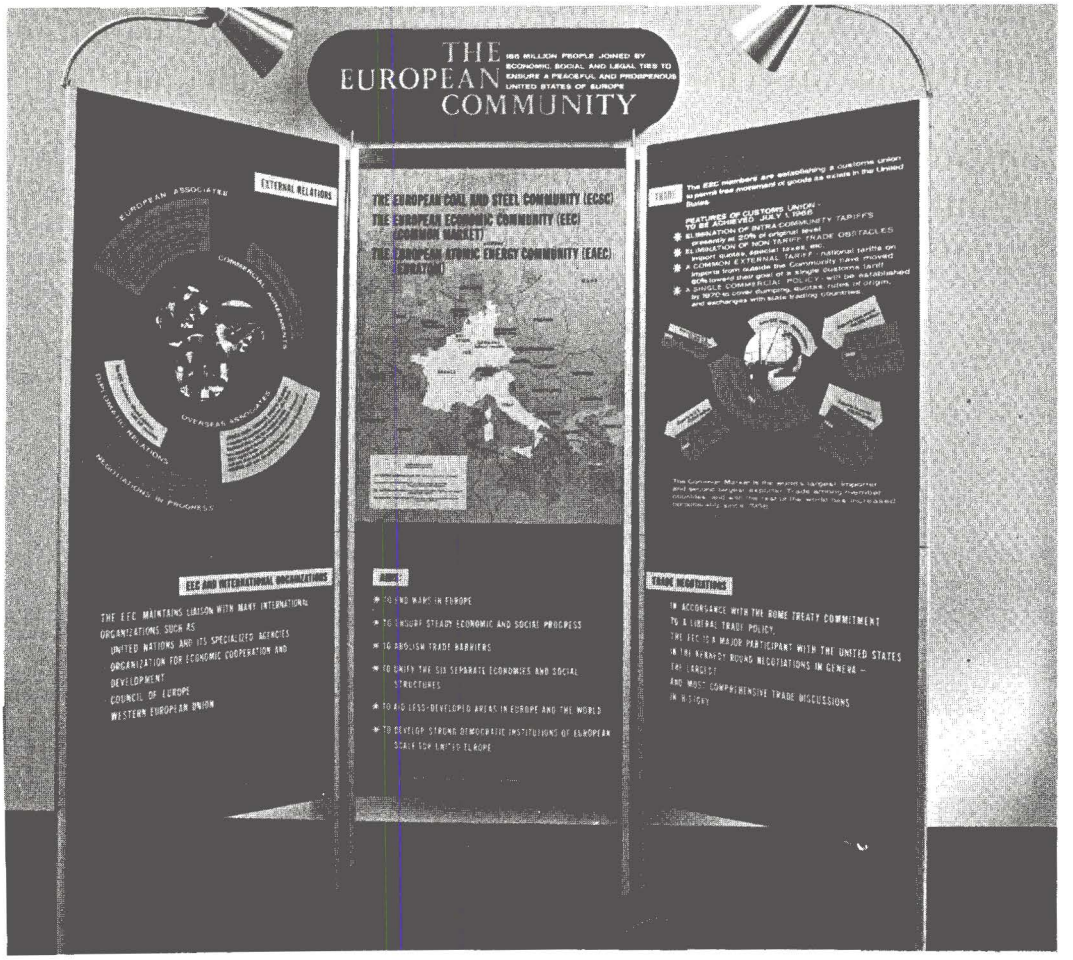
Comparative Study of Anti-trust Laws in the European Economic Community. By the Institute of Foreign and International Patent, Copyright and Trade-mark Law of the University of Munich. Beck & Heymann, Munich and Cologne; Dalloz, Paris; Giuffre, Milan; Tjeenk-Willink, Zwolle. Five Volumes.

The first comparative study in depth of anti-trust laws in countries belonging to the European Economic Community. All volumes will be published in French. Volume I, "The Comparative Situation," will also be published in German, Dutch, and Italian.

This work, prepared for the EEC Commission, will serve as the basis for harmonization of the six anti-trust laws. Four volumes contain detailed reports on anti-trust laws in France, Germany, Italy, and the Benelux countries. Volume I compares and distinguishes the national legal systems.

Though all Six recognize unfair competition, the study shows that the degree of legal protection varies with the underlying concept of unfair competition. Disparities exist, especially in the determination of unfair practices, particularly false or misleading advertising. Disparities of definition result in differences in the laws on trademarks and trade names.

The study proposes measures to approximate the conditions of competition: the conclusion of a multilateral convention covering typical acts of unfair competition; the conclusion of a multilateral convention on protection of geographical designations of origin; and the adoption of directives covering gifts to induce purchases and mark-of-origin requirements for merchandise imports.



HAVE CRATE, WILL TRAVEL

The European Community Information Service offers to lend schools, libraries, civic associations, and other interested organizations this new exhibit on the Community, free of charge. Removable panels allow the triptych to be varied to show different aspects of Community affairs. Standing, the display measures 28 inches deep by 70 inches wide. It is 7 feet 4 inches high, including the headboard and lights. Panels, lights, and frame fit into a wooden crate, especially built to facilitate safe shipment.

H.A. Proposes New Steel Measures

The High Authority of the European Coal and Steel Community has proposed production controls and more detailed steel production forecasts as immediate steps to alleviate the current steel crisis. Long-term planning to adapt ECSC steel production to new market patterns should proceed simultaneously with these measures, the High Authority emphasized.

Fritz Hellwig, member of the ECSC High Authority explained the current situation, discussed by the Community executive body at its October 27-28 meeting. Severe competition within the Community has seriously reduced manufacturers' receipts, making normal capital depreciation impossible. Low-priced imports and production cost disparities, resulting from differences in coking coal costs in the six member countries, have aggravated the situation.

The rate of capacity utilization remains relatively adequate. Reductions in employment have been low, so far. However, the High Authority stressed that the member states must act now, at Community level, to curtail overproduction.

The ECSC Council of Ministers will discuss the High Authority's proposals at a meeting on November 22.

Delay in Changes of Address

We are busy making the necessary additions to the mailing list for *European Community* to conform with U.S. postal regulations requiring the Zip Code from January 1, 1967. Please be patient if requested changes of address have not yet been made.

Where to Study in Europe—VI

The Institute of European Studies in Turin prepares students for careers in international organizations. Faculty members, of many nationalities, lecturing in French, provide theoretical and practical orientation in the main problems in European economics, history, law, and politics.

At the end of the first year, the Institute awards a certificate of advanced European studies, and at the end of the second year, a diploma.

The Institute library, containing more than 4,000 works, specializes in history, political science, law, and economics. It also has extensive documentation on the principal international organizations and European institutions.

Further information may be obtained from: The Secretariat, L'institut universitaire d'études européennes, Corso Vittorio Emanuela 83, Turin, Italy.

Strasbourg Lab to Test "European" Pills

A European pharmaceutical testing laboratory, to compare the chemical contents of pharmaceuticals with the European Pharmacopoeia, will open towards the end of 1966 in Strasbourg.

Britain, Switzerland, and the six countries belonging to the European Economic Community have accepted common European chemical standards for pharmaceuticals, to be published in 1967. The laboratory will test only the chemical contents of pharmaceuticals, not their effects on humans or animals.

PUBLICATIONS AVAILABLE

OVERSEAS ASSOCIATES: STATISTICAL MEMENTO 1966. Statistical Office of the European Communities, Brussels, 1966, 210 pages $1.00

A compendium of statistics on the demographic, social, economic, financial, and commercial aspects of the overseas countries, territories, and departments associated with the European Economic Community. These associates include Burundi, Cameroun, Central African Republic, Chad, Congo (Brazzaville), Congo (Kinshasa), Dahomey, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta, Surinam, Netherlands Antilles, St. Pierre and Miquelon, Comoro Archipelago, French Somali Coast, New Caledonia, French Polynesia, Guadeloupe, French Guiana, Martinique, and Reunion.

DIX ANS DE RECHERCHE TECHNIQUE CHARBON-ACIER. *Bulletin de la Communauté Européenne du Charbon et de l'Acier,* No. 62, High Authority of the ECSC, Luxembourg, 1966, 40 pages ..... $ .60

BALANCE SHEETS OF THE AUTOMOBILE INDUSTRY 1959-1964. Studies and Analysis Division, Directorate General for Administration and Finance, High Authority of the ECSC, Luxembourg, April 1966, 24 pages (mimeographed) $ .50

The balance sheets and profit-and-loss accounts of the 16 principal motor car producers of the world.

SOCIAL POLICY IN THE COMMON MARKET 1958-1965. *Community Topics,* No. 22, European Community Information Service, Brussels, October 1966, 11 pages ..... free

An article by Lionello Levi Sandri, Vice-President of the Commission of the EEC.

POLITIQUE ÉCONOMIQUE ET PROBLÈMES DE LA CONCURRENCE DANS LA CEE ET DANS LES PAYS MEMBRES DE LA CEE. *Série Concurrence,* No. 2, EEC Commission, Brussels, 1966, 68 pages $2.00

This study is by Professor J. Zijlstra, former Dutch Minister of Economic Affairs and Minister of Finance. Its three sections deal with current political conceptions of competition and economic policies in the member countries, the influence of the development of the EEC on the member states' economic policies, and the economic and competition policies of the Community itself.

MEMORANDUM BY THE COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY ON THE ESTABLISHMENT OF EUROPEAN COMPANIES. *Supplement to Bulletin No. 9/10-1966 of the European Economic Community,* EEC Commission, Brussels, 1966, 20 pages ..... $ .30

An English translation of a memorandum submitted by the Commission to the Council on 22 April, 1966. It discusses three possible arrangements for the establishment of a "European" company.

INVESTMENT IN THE COMMUNITY COALMINING AND IRON AND STEEL INDUSTRIES: REPORT ON THE 1966 SURVEY. High Authority of the ECSC, Luxembourg, July 1966, 123 pages $2.00

INVESTMENT IN THE COMMUNITY COALMINING AND IRON AND STEEL INDUSTRIES: SUMMARY REPORT ON THE INVESTMENT SURVEYS 1956-1965. High Authority of the ECSC, Luxembourg, August 1966, 76 pages $2.00

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