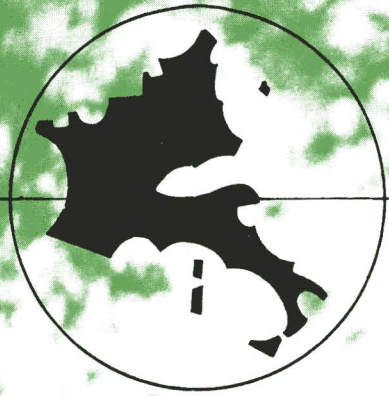


JULY-AUGUST 1967 NO. 104



# ***europaean community***

COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM





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The views expressed by contributors do not necessarily reflect the policies of the European Community.

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EUROPE HITS THE ROAD . . . in many ways. It is apparent that July has been an important milestone and turning point in the European Community's eventful road towards economic union. The long-awaited merger of the Community's institutions has taken place and should go a long way towards streamlining the Community's policies and administration. The newly unified Commission gave all appearances of getting off to a strong start. This summer issue of the EUROPEAN COMMUNITY reports on Europe following the merger—the new institutions and the many developments taking place in July in the customs union and the common market for agricultural products.

At the same time, many signs of caution attended the promising start of the merged institutions. Passing leadership to the European executive in its last annual report, the European Community's Commission warns of the dangers of allowing the Community to stand still in its present "halfway situation." The European Atomic Energy Community Commission's annual report also notes the many important problems that the Six must face before they achieve a real "European Community".

In August, Europe hits the road in another sense. While the Commission takes a brief respite from its enormous tasks, Europeans go on vacation. While participating, themselves, in the fast developing "leisure civilization" of the West, they must also endure the profits and pains of the ever expanding international tourist industry. *André Lilti*, economic correspondent for the French weekly "Entreprise," relates the saga of the superhighway in Europe and its important role in linking the countries of the Six. *Brendan Jones* of "The New York Times" writes of the "motelization" of Europe, which borrows and improves upon the North American experience. In the news, the EUROPEAN COMMUNITY gives details of Europe Day at Expo '67 and reports on a unique house design competition held by the European Coal and Steel Community.

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# JULY 1, 1967

marks the entry into force of the Brussels Treaty of April 8, 1965, establishing a single Council and a single Commission of the European Communities. The merger of the three Communities has now begun, for the unification of the Councils and the Commissions is only the prelude to this merger.

Even before the new Commission considers the great problems with which it will have to deal, we should look back to the beginning and see how far we have come. The three Communities already have many achievements to their credit, work which has impressed observers both inside and outside the Communities. The single Commission is obliged to pay tribute to the accomplishments and hard work of the three executive bodies that it is replacing. It is with a feeling of gratitude that we can think back over all that has been done in Europe on the initiative and under the dynamic influence, first of the High Authority, and then of the two Brussels Commissions.

Because it is impossible to mention every president or member of the three European bodies, it must suffice to recall the names of Jean Monnet, René Mayer, Paul Finet, Piero Malvestiti and Dino Del Bo in Luxembourg; Louis Armand, Etienne Hirsch and Pierre Chatenet at Euratom; and Walter Hallstein at the EEC in Brussels. However, it will be understood that I should have a special thought for the man with whom I have worked for almost ten years. President Hallstein has made a vital contribution, first to Franco-German reconciliation, then to the negotiations for the three European Treaties, and finally as President of the Common Market Commission for nearly a decade.

We are now entering a new phase. The customs union has been completed; work has begun on economic union; the most important parts of the common agricultural policy have entered into force; the Kennedy Round has been satisfactorily settled; and the internal political crisis of 1965-66 has been satisfactorily overcome. Thus the three Communities, strengthened by the unification of their executive organs, can now begin work with increased authority and renewed dynamism on solidifying their internal structure and, if possible, on enlarging themselves by the admission of other countries.

Public opinion has been most struck by the creation of a single Commission to replace the three existing executive bodies, but the unification of the Council of Ministers is no less important. The Councils in the past few years have produced, on the whole, out-



standing achievements. A single Council, with increased authority, will ably fulfill the Community tasks that fall to it.

As the single Commission takes up its duties, it will quickly reveal the spirit in which it will approach its new tasks and its first objectives. It does not seem rash, however; to predict that the Commission will want to perfect the Community's development, safeguard the existing Community mechanisms and the authority of their institutions, and at the same time maintain links of co-operation and friendly confidence with the Governments of the member states. The recent experience of the Kennedy Round has shown to what extent such mutual confidence can be a source of progress for the Community.

The new Commission, like its predecessors, will endeavor to

maintain increasingly close relations with the European Parliament in order to work effectively for the democratic development of the Community.

The same will be true of the Commission's relations with the other Community institutions, such as the Economic and Social Committee and the European Investment Bank, and with all those, whether in the public or in the private sector, who have the success of this great, Community undertaking at heart.

In the political, economic, social and administrative fields, our task will be a difficult one. We shall, however, undertake it with dynamism and with faith in the success of our efforts.

JEAN REY

*President of the European Communities Commission*

JULY 1, 1967

## New Institutions

THE BRUSSELS TREATY of April 8, 1965, merging the executive branches of the European Economic Community, the European Atomic Energy Community, and the European Coal and Steel Community entered into force on July 1, 1967. The six-member European Council of Ministers assumed its duties the same day and formally appointed the 14 members of the new European Commission, which assumed its duties on July 6. Until the treaties themselves have been consolidated, however, the new European executives will administer three treaties or "Communities."

### The European Council of Ministers

Institutional changes in the organization of the Council of Ministers were uncomplicated. The three Councils have shared the same Secretariat since 1958. Now, the ECSC Special Council of Ministers has been amalgamated with the EEC and the Euratom Councils which had functioned as a single body since their creation in 1958. As a result, only slight alterations in procedural rules were necessary, such as those relating to decisions to be made in the name of all three Communities. In addition, Article 4 of the merger treaty gave the Committee of Permanent Representatives formal status as a Community institution. The three Treaties did not institute this Committee as such, but the Rome Treaties authorized its establishment. In the past decade it became an important element in the functioning of the EEC and Euratom.

### The European Commission

The merger of the Commissions and the High Authority provoked lengthy discussion on the number of members to belong to the new body. As a result, the merger treaty embodies a series of compromises. The 14 members of the new collegiate body will serve maximum terms of three years. The number will then be reduced to nine members who will serve four-year terms. Members of both Commissions will be appointed by mutual agreement of the national governments.

The merger treaty does not alter the powers or responsibilities of the institutions or their relations with one another. The single Commission will exercise the powers and responsibilities formerly vested in both Commissions and the High Authority and will be responsible to the European Parliament for its actions. In this case, the Treaty follows the same lines as the EEC and Euratom Treaties, which allocated a more important role to the Parliament than did the ECSC Treaty.

### Merging the Budgets and the Administrative Staffs

Merging the institutions includes merging administrations and budgets. Since the three Communities have almost identical service regulations, the administrative merger presents no legal difficulties. To solve the practical difficulties that the administrative reorganization will entail, the merger treaty allows "a reasonable and relatively short period which shall not exceed one year." During that time, according to the decision of the member states annexed to the Treaty, some of the Commission's services will be provisionally transferred from Brussels to Luxembourg. These include the European Investment Bank, and some unspecified judicial, quasi-judicial and financial services. The European Council of Ministers will also hold its April, June, and October meetings in Luxembourg.

The Rome Treaty budget procedure will govern the consolidated operations budget, which consists of contributions by the member states. The High Authority's powers of expenditure and revenue are transferred in full to the European Commission.

The authors of the merger treaty considered the institutional fusion the beginning of the merger of the Communities themselves, but they did not set a timetable for the completion of the process. The Preamble to the Treaty states that the signatories were "resolved to progress towards European unity" and "determined to proceed with the unification of the three Communities."



JULY 1, 1967

# Agriculture

JULY 1, 1967, marked the most important stage in the development of the common agricultural policy since August 1962, when the first market regulations came into force. It signaled the start of decisive phases for price policy, community financing, and standardization of commercial policy for markets in farm produce. All of the Council of Ministers' policy decisions of December 1964 and May and July 1966 have now taken shape. The European Agricultural Guidance and Guarantee Fund (EAGGF) now has the responsibility for authorized expenditures for sectors of products subject to common market organizations, including those still in the transitional stage.

The common market organizations for cereals, pork, and eggs and poultry entered the single market phase on July 1. The common market organization for sugar entered the first stage, although the common price does not come into force until next July 1 and all discrimination between Community sugar producers will not disappear until July 1, 1975.

The rules governing cereals and processed farm products are generally the same as since 1962, but they have been simplified by the abolition of levies in trade between Community members. From now on, the levies on imports from non-member countries will be the same throughout the Community and the Commission will establish them. The same system will apply to export refunds. Starting next year the marketing year will begin on August 1. The Commission will then establish the "political" prices which influence farm incomes.

For pork the greatest change in the common market organization consists of a new regulation for a market support system authorizing aid for private storage and for purchases by intervention organizations when prices drop below the basic price. The regulations for pork and for eggs and poultry encourage producers to adapt supply to the market situation. The eggs and poultry market organization, however, does not provide for any intervention, so that the withdrawal of commodities from the

*The common market in pork entered into force on July 1.*

market is prohibited. Common marketing rules for eggs and poultry must be ready by January 1, 1968.

The market organization for fats and oils also arranges for needed production without impinging on the buyer's choice, abolishes duties between the member states, and applies the common customs tariff to imports from non-members. A single price system and a free trading system characterize this market.

Because the common price for sugar will not come into force until July 1, 1968, the transitional measures for the 1967/68 marketing year are based on the principles already adopted by the Council for the period beginning on July 1, 1968. Thus the common guarantee for prices and sales is restricted by a system of national quotas expressed in metric tons: 1,700,000 for Germany; 2,300,000 for France; 1,230,000 for Italy; 575,000 for the Netherlands; and 530,000 for the Belgium-Luxembourg Economic Union.

The completion of the market organizations for 90 per cent of the Community's agricultural products is a milestone, but not the last. Differences between the six members' systems of taxation, customs laws, health laws, marketing authorization procedures, and subsidy systems continue to influence trade in farm products. Until there is harmonization of these and other areas outside of farm policy, there will be no single domestic market for farm products, in any real sense.

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*Starting on July 1 there will be a Common Market in cereals, pigmeat, eggs, poultry, fats and oils. This is an important date because it marks one of the milestones on the road to full economic integration. The Community has more than met the deadline laid down in the Treaty of Rome, which is encouraging because it shows that progress can still be made despite current political differences. But I repeat: it is a milestone, and there is much, very much, still to be done. Let us hope that the six countries will recover their impetus, overcome their political differences and continue along the paths mapped out for us by truly great statesmen years ago.*

SICCO L. MANSOLT  
EEC Commissioner with Special  
Responsibility for Agricultural Policy





JULY 1, 1967

## Customs Union

### Manufactured Goods

Industrial tariffs between the members of the European Community dropped 5 per cent on July 1, 1967, to 15 per cent of their level in 1957. The final tariff reduction will be made next July 1, two years ahead of schedule, according to the Council of Ministers' decision of July 26, 1966. On the same date, the member states will also abolish the remaining quotas on goods traded between them and finish aligning their tariffs with the common external tariff. The customs union for manufactured goods will then be complete.

This July, because the Council of Ministers decided to extend the temporary 20 per cent tariff reduction for imported manufactures under 500 different headings in the common external tariff, no significant changes occurred. The Council's decision of June 13, 1967, extended the reduction made in 1966 to June 30, 1968. The reductions negotiated in Geneva in the General Agreement on Tariffs and Trade are still being prepared and will not come into force until a later date.

On July 1 the Community members reduced their duties on certain agricultural products (listed in Annex II of the Rome Treaty, other than those products already under common market organizations) to 25 per cent of their original levels. During



*With the completion of the customs union, the Six will be able to discard all "Stop/Customs" signs on their common frontiers.*

the rest of the year, the European Commission plans to make further proposals for abolishing quotas on these products and for removing the remaining tariffs. By July 1, 1968, completely free movement of these farm products may be expected.

Because of this reduction, the Commission amended the provisions for processing traffic, adopted under Article 10 (2) of the EEC Treaty. From July 1, 1967, the manufacturing member state may charge 85 per cent, instead of 75 per cent, of the common customs tariff or agricultural levies as an offsetting levy.

## The European Commission

### PRESIDENT

#### Jean Rey (Belgian)

Mr. Rey, a graduate in law from the University of Liège and a member of the bar at the Liège Appeal Court, will have special responsibility for the General Secretariat of the European Commission's Legal Service. Elected to the Belgian Parliament in 1939, 1946, 1949, 1950, and 1954, Mr. Rey served as Belgian Minister of Economic Affairs from 1954 to 1958, when he was appointed a member of the European Economic Community's Commission with special responsibility for external affairs. In this capacity, Mr. Rey headed the Community delegation to the Kennedy Round negotiations.

### VICE PRESIDENTS

#### Raymond Barre (French)

Mr. Barre, a graduate of the Faculties of Law and Economic Sciences, Paris, will have special responsibility in the European Commission for economic and financial matters and for the Community's Statistics Office. Mr. Barre held numerous posts

in the French Government in the areas of trade, industry, finance, and regional development.

#### Fritz Hellwig (German)

Mr. Hellwig, a member of the ECSC High Authority since 1959, will have special responsibility in the European Commission for general research, nuclear research centers, and the Nuclear Affairs Committee. He holds doctoral degrees from the Universities of Berlin and Heidelberg, was managing director of the *Deutsches Industrienstitut* of Cologne, and was a member of the German legislative assembly (*Bundestag*) from 1953 to 1959.

#### Lionello Levi Sandri (Italian)

Mr. Levi Sandri, a member of the EEC Commission since 1961 and a vice president since 1964, will have special responsibility for social affairs and for administrative and personnel problems. His long career in labor and social matters began in 1934 when he entered the Italian National Administration. Mr. Levi Sandri was head of the Italian Minister of Labor and Social Security's



Private Office for several years after the Second World War. During the war he fought with the Resistance and was awarded a silver medal for military valor.

#### **Sicco L. Mansholt** (Dutch)

Mr. Mansholt will have special responsibility for agriculture in the European Commission. Appointed in 1958 as a vice president of the EEC Commission, with special responsibility for agriculture, Mr. Mansholt originated the common agricultural policy. His career in this area has extended from tea-planting in Indonesia to farming in the Netherlands, and from 1945 to 1956 he served as Dutch Minister of Agriculture, Fisheries, and Food.

## MEMBERS

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#### **Hubert Joseph Victor Bodson** (Luxembourg)

Mr. Bodson will have special responsibility for transport matters. From 1940 to 1944 Mr. Bodson was Minister of Justice, Transport, and Public Works in the Luxembourg Government-in-exile in London. After the liberation of Luxembourg on September 10, 1944, he re-established the judicial apparatus and ensured the maintenance of justice in Luxembourg until March 1947. A past president of the Luxembourg Chamber of Deputies, he was a member of the legislative body from 1934 to 1961 and in 1964.

#### **Guido Colonna di Paliano** (Italian)

Mr. Colonna will have special responsibility for industrial matters. His diplomatic career has included posts as secretary general to the Italian Delegation for the Marshall Plan negotiations, as Deputy Secretary General of the Organization for European Economic Cooperation, and as Deputy Secretary General of the North Atlantic Treaty Organization. In 1964, he was appointed member of the EEC Commission with special responsibility for the internal market.

#### **Albert Coppé** (Belgian)

Mr. Coppé will have special responsibility for budgetary matters, for investments, and for the European Commission's Information Service. Mr. Coppé served as Vice President of the ECSC High Authority since its formation in 1952. He had previously served in the Belgian Government as Minister of Public Works, Minister of Economic Affairs, and Minister of Reconstruction.

#### **Jean-François Deniau** (French)

Mr. Deniau will have special responsibility for external trade. A participant in the negotiations for the EEC Treaty, Mr. Deniau became a member of the French Prime Minister's staff in 1957 and later served in the Ministry for Industry. With the EEC Commission, Mr. Deniau was director for the External Relations Department with special responsibility for association agreements. He headed the EEC Commission's delegation during the 1961-63 negotiations with the United Kingdom. In 1963, he was appointed French Ambassador to Mauritania.

#### **Hans von der Groeben** (German)

Mr. von der Groeben will have special responsibility for the internal market, for commercial and fiscal policy, and for regional development policy. From 1958 he was a member of the EEC Commission with special responsibility for competition policy. From 1933 to 1952 he was an official in the German Government. In 1952 he became the spokesman for the German Permanent Delegation to the ECSC Council of Ministers and, in 1955, spokesman for the German delegation to the conference preparing the EEC.

#### **Wilhelm Haferkamp** (German)

Mr. Haferkamp will have special responsibility for energy. From 1963 to 1965 he was a member of the ECSC High Authority's Consultative Committee and a member of the EEC Economic and Social Committee, representing labor's point of view. He held various positions at the local and national level in the German Trade Union Federation (DGB), including membership in the DGB Executive Committee and head of the Economic Policy Department.

#### **Edoardo Martino** (Italian)

Mr. Martino will have special responsibility for external affairs. A member of the Italian Chamber of Deputies since 1948, Mr. Martino was appointed to the European Parliament from 1958 to 1959 and again from 1961 to the present time. In the Italian Government he has been Deputy State Secretary in the Prime Minister's Private Office, in the Ministry of Defense, and in the Ministry of Foreign Affairs.

#### **Henri Rochereau** (French)

Mr. Rochereau will have special responsibility for development assistance. In January 1962 he was appointed member of the EEC Commission with special responsibility for overseas development. A member of the French Senate in 1946, 1948, 1952, 1958, and 1959, he was then appointed French Minister of Agriculture until 1961.

#### **E. M. J. A. Sassen** (Dutch)

Mr. Sassen will have special responsibility for competition. A member of the Euratom Commission since its creation in 1958, Mr. Sassen served as Dutch Minister for Overseas Territories from 1948 to 1949. His diplomatic career has included membership in the Netherlands' delegation to the United Nations and in the governing body of the International Labor Organization.

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*Jean Rey*



*Raymond Barre*



*Fritz Hellwig*



*Lionello Levi Sandri*



*Sicco L. Mansholt*



*H. J. Victor Bodson*



*Guido Colonna di Paliano*



*Albert Coppé*



*Jean François Deniau*



*Hans von der Groeben*



*Wilhelm Haferkamp*



*Edoardo Martino*



*Henri Rochereau*



*E. M. J. A. Sassen*

## THE COMMISSIONERS



# EUROPE ON WHEELS: The European Superhighway Saga

by ANDRÉ LILTI

*Armed with the latest road maps, more Americans and Europeans each year "See Europe by Car." "Just like our turn-pikes," report the Americans returning home. The Europeans, more recently cognizant of their inalienable right to motorization, go home to press their governments for more and better superhighways, like Italy's Autostrada del Sole or Germany's Autobahn.*

*A decade ago, the era of the "family automobile trip" in the United States, 10,000 miles of superhighways zigged and zagged across the 48 states. In Europe, however, such expressways as had been completed often ended abruptly at the customs inspection stations at the national frontiers. In Brussels, the new European Economic Community was beginning to study its six member states' highway systems. These roads, planned and built to serve the individual needs of six countries, would soon have to perform in a large, unified economy. Pieced together at the national frontiers, they would have to fit smoothly into a modern, six-nation, integrated transport system if the Common Market were to live up to its name.*

*Mr. Lilti, a reporter for the French periodical *Entreprise* recounts the saga of the European superhighway. The description of the EEC's efforts to coordinate highway systems is based on a lecture given to the *Fédération Routière Belge* in Brussels on May 16 by J. Noël Mayer, Director of Investment Coordination and Economic Studies in the EEC Commission's Transport Department.*

THE STORY OF THE EUROPEAN SUPERHIGHWAY began more than thirty years ago, but only in the past decade did the rise in private car ownership make it a best seller.

Thirty-four million vehicles are registered this year in the six countries of the Common Market, almost twice as many as in 1961. By 1985, this number will triple. Unless plans are made now for several thousand more miles of superhighways, cities will choke on traffic twenty years hence.

Private car ownership has almost tripled in Italy (from 2.4 million in 1961 to 7 million in 1967); more than doubled in the Federal Republic of Germany (from 5.6 million in 1961 to 11.7 million in 1967) and in the Benelux countries (from 1.7 million in 1961 to 3.6 million in 1967). In France, private car ownership has jumped 65 per cent, from 7 million in 1961 to 11.6 million in 1967.

The Community, with one motor vehicle for every six persons, is one of the most highly "motorized" areas in the world, surpassed only by the United States, with one automobile for every three inhabitants; Sweden, with one for every four, and England, with one for every five. There are differences between the Six, of course. For example, one out of every four Frenchmen owns a car, while in Germany the ratio is one car for five persons, and in Italy, one car for 7.5 persons.

## Roads Nearing Traffic-Saturation Point

As Europe turned into an "automobile culture," highway traffic surged, making superhighway construction imperative.

International highway traffic has increased even more rapidly than national traffic. In 1961-66, domestic traffic in France, for example, increased by 78 per cent, while the number of vehicles passing through customs at the frontiers doubled. Traffic

through the new Mont Blanc tunnel between France and Italy has been running far heavier than anticipated, amounting in 1966 to 44,000 heavy vehicles and 556,000 standard weight vehicles.

Both passenger and cargo traffic have risen markedly. Now, three out of four people arriving in Italy come by car, and twice as many private cars as in 1961 enter the Federal Republic of Germany. As the six Common Market countries lower their customs barriers to their partners' goods, cargo shipments by truck are also expanding. Today, trucking is essential for the prosperity of all six countries and accounts for 40 per cent of the total French ton-mile shipments, 42 per cent of Belgium's, and 73 per cent of Italy's.

Highway accidents have also increased. Last year in the Common Market, nearly 50,000 persons died on highways and one million were injured. Thousands of miles of roads need widening because traffic is nearing the danger point (more than 5,000 vehicles a day for two-lane roads, 8,000 a day for three-lane roads, and 12,000 a day for four-lane roads).

## Safer, Cheaper Superhighways Win Support

Every Common Market member but Luxembourg has definite plans for new superhighways. Their new expressways already compare favorably with those in the United States, although the Six discovered the advantages of limited access highways relatively late.

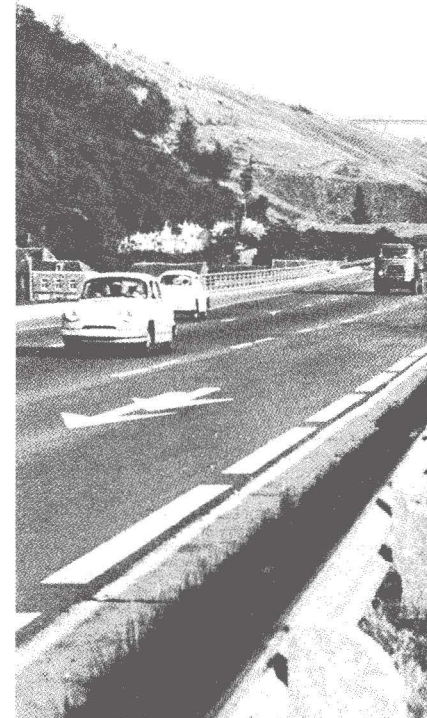
In 1960, the United States had 10,440 miles of superhighways in service. Two years later, Luxembourg had none; Germany, 1,721 miles; Italy, 348 miles; the Netherlands, 168 miles; and Belgium, 116 miles. France, with 146 miles, planned to build only 10 miles more during 1962. However, now that one household in two owns a car and uses it during vacation, public opinion has induced France, as well as the other Community members, to modernize their highways. For motorists, expressways lower the per mile costs of gas, tires, and oil and shorten driving time. More importantly, they are three times safer than conventional roads. During the three-day Easter weekend this year, for example, 800,000 vehicles traveled 311 miles of French expressways without a single fatal accident.

For governments, building superhighways from scratch often costs less than widening old roads. Moreover, safer roads spare them tax losses due to deaths and injuries and hospital expenses which average \$1000 per person. Since superhighways bring new life to the areas they serve, governments have made highway development a part of general economic planning. In France, for example, half the new buildings in Paris have been constructed around the *Autoroute du Sud*; and in Italy, the *Autostrada del Sole* quickly became a development axis for the surrounding area. According to economists, superhighways could help rid cities of serious traffic problems by shortening the transit time between the provinces and major industrial areas and inducing businesses to locate in the provinces.

## Germany—Site of Almost Half the Community's Expressways

Right now there are more than 4,660 miles of superhighways in the Common Market, nearly half of them in Germany. A third of the Federal Republic's 2,179 miles of *autobahn* were built by Adolf Hitler for strategic use. During the Occupation

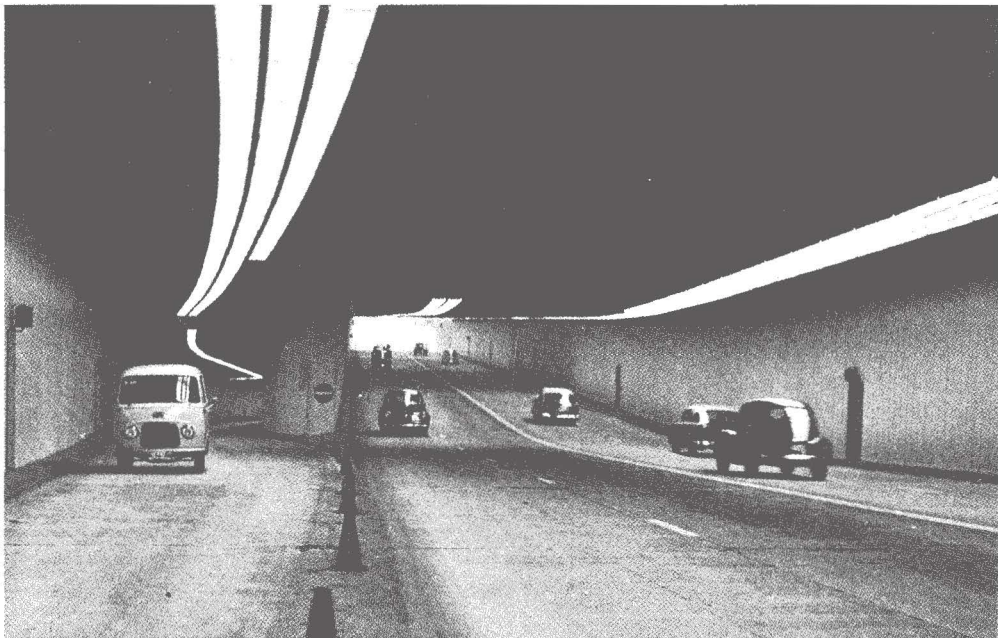




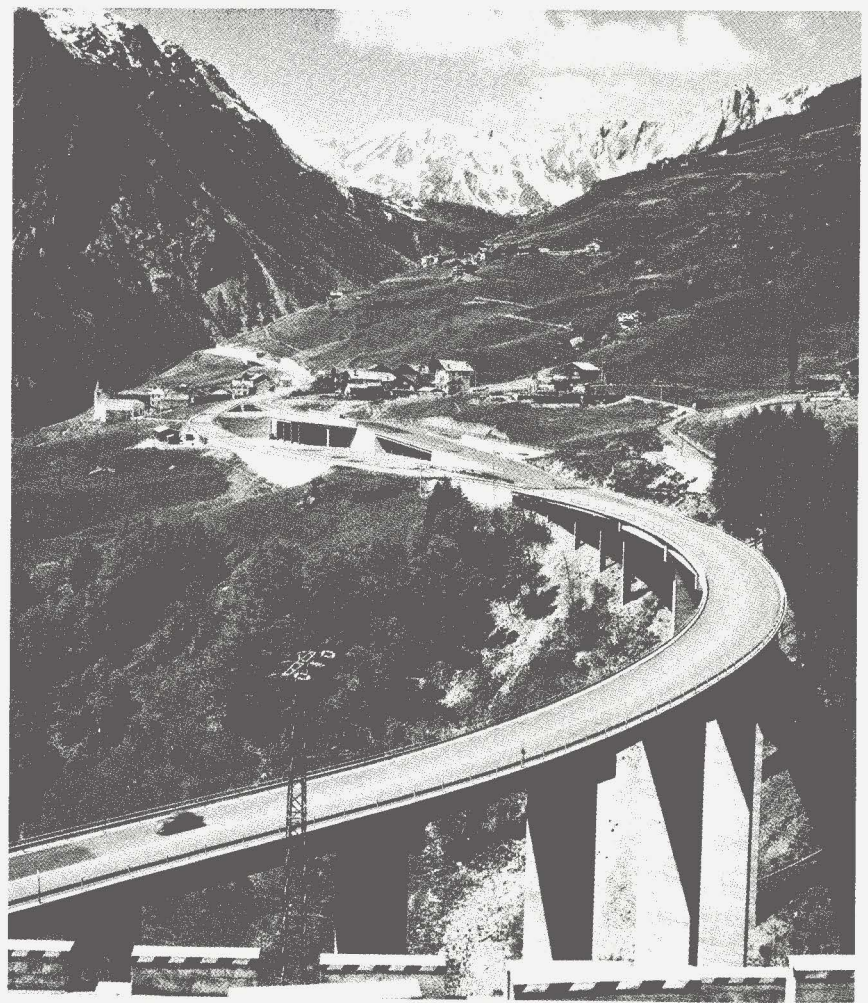
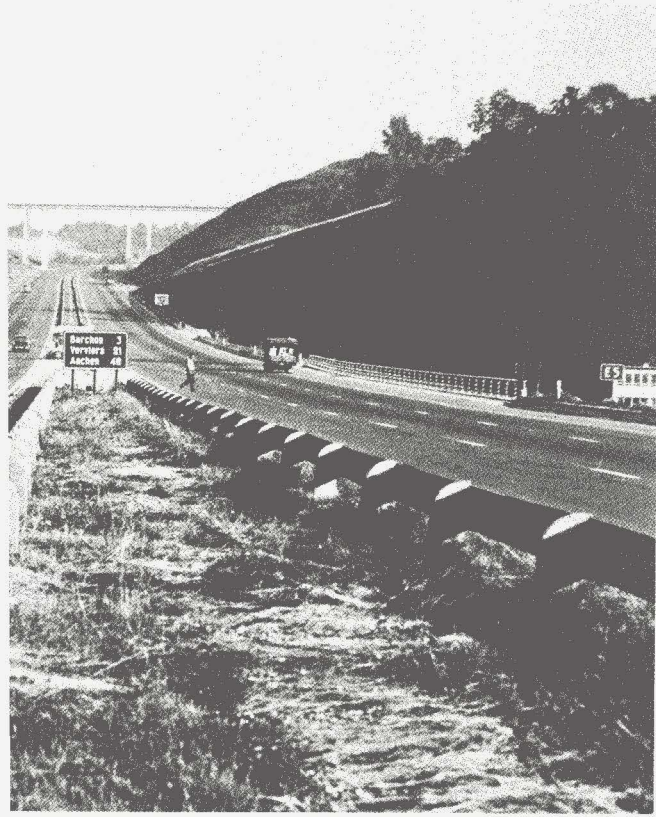
*The new Baudouin Highway Links Antwerp, Belgium, to Aix-la-Chapelle and Cologne, Germany. PHOTO: Courtesy of the Official Belgian Tourist Bureau, New York.*

*The French Autoroute du Nord connects Paris with Le Bourget Airport. This section traverses the industrial area of Saint-Denis. PHOTO: Courtesy of the French Embassy Press and Information Division, New York.*

*This modern double tunnel expressway in Brussels runs under the busy Porte-Louise intersection. PHOTO: Courtesy of the Belgian Information Service, New York.*

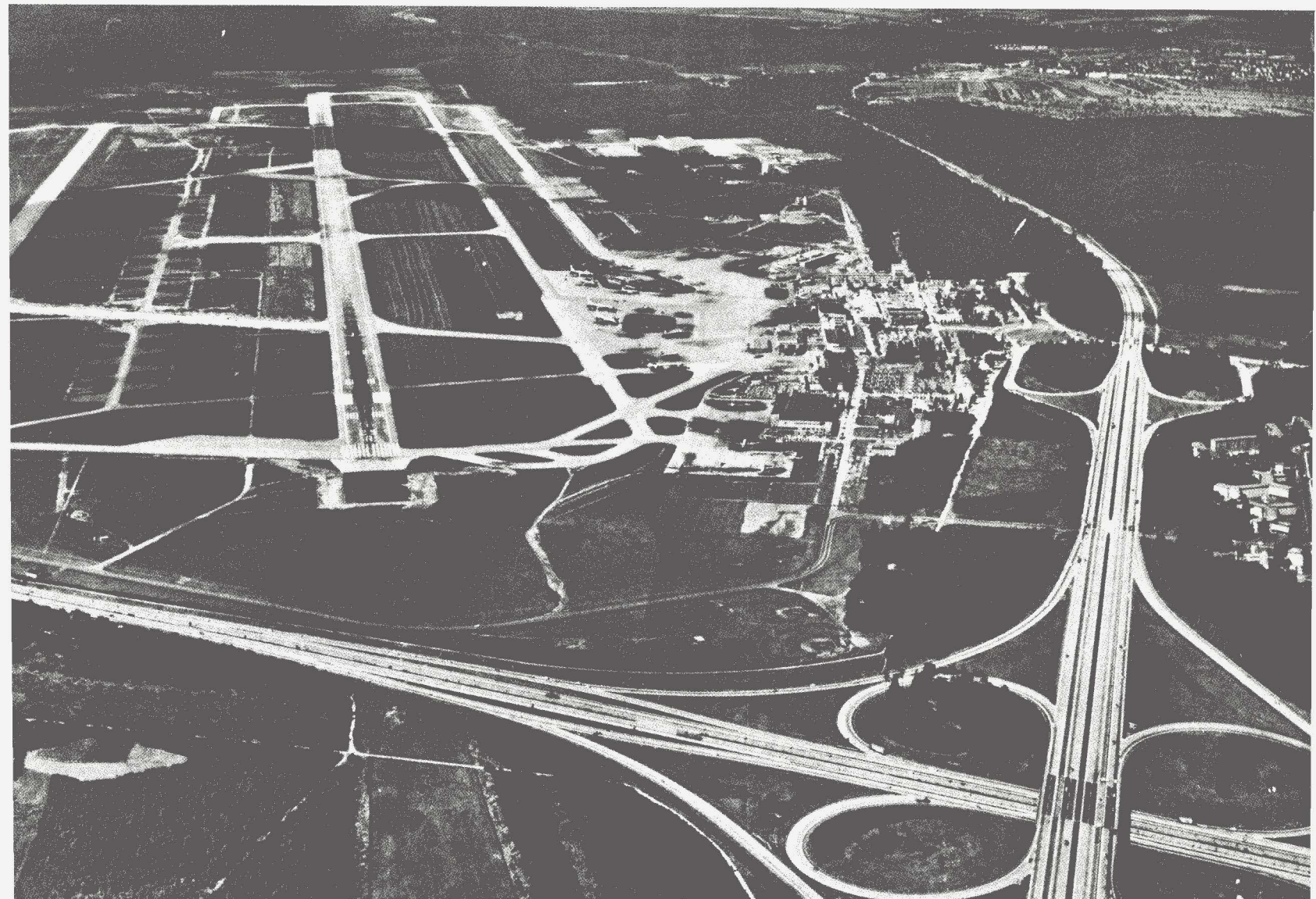






*The St. Bernard Tunnel between Italy and Switzerland opened in 1964.  
PHOTO: Courtesy of the Italian Government Travel Office, New York.*

*Air cargo shipments are expanding steadily in Germany and everywhere in Europe. This section of the Autobahn connects Frankfurt, Germany, with the Rhein-Main airport (left). PHOTO: Courtesy of the German Information Center.*





of France, the first Paris-Brussels expressway was also constructed.

After the war, Germany continued to add 155.3 miles of superhighways a year. Under the four-year plans launched in 1959, Germany has completed sections of expressways of special importance for the development of the European highway network:

- The *Ruhrtangente* connecting Leverkusen, Wuppertal, Kamen, and Kraus with a branch towards Hanover.
- The *Hafraba*, 560 miles long, from Hamburg via Frankfurt to Basel, Switzerland. In 1963 it was extended towards Denmark and Scandinavia by the *Vogelfluglinie* section.
- The *Frankfurt-Wurzburg-Nuremberg* expressway, a section of the road coming north from Istanbul, which connects southern Germany with the Austrian, Dutch, and Belgian highway systems.
- The *Mannheim-Saarbrücken* expressway with its connection to the French road network.

By 1975, Germany plans to double its superhighway mileage. Even now, it is easy to drive to Denmark, the Netherlands, Belgium, Switzerland, France, Austria, and Czechoslovakia over the well-developed German superhighway system.

Of the Six, Germany has the most highly developed superhighway system, although, the pioneer of expressway construction in the Common Market was Italy. By 1962, expressways connected Milan with Bologna, Florence, Serravalle, Brescia, and Verona, and 373 miles of limited access three-lane highways were being widened to six lanes.

At the beginning of 1967, Italy had 1,353 miles of expressways open. Today motorists can take one expressway, the *Autostrada del Sole*, from Turin at the foot of the Alps to Venice

on the Adriatic and from Milan to Florence, Rome and south of Naples. By 1969, the road will extend to Sicily, off the tip of the boot; and the Turin-Venice Throughway will reach Trieste. The completion of these and other roads will increase the Italian highway network to 3,045 miles.

#### **"Superhighway Density" Highest in the Netherlands**

The Netherlands has 404 miles of expressways in service and plans to open 466 miles more by 1971. Superhighways connect almost every important Dutch city and link the Dutch road network with the German and Belgian systems. Of all Common Market members, the Netherlands has the highest "superhighway density"—30.7 miles of expressways for every square mile of land, compared with Germany (22.6), Belgium (16.9), Italy (11.6), and France (2.6). (The Luxembourg Government is now studying plans for its first expressway to Trier, Germany, and Arlon, Belgium.)

The completion of the King Baudouin Highway in 1964 raised Belgium's superhighway mileage to 196 miles. Noteworthy for its effects on the economy, the 93 mile-long road from Antwerp to Germany crosses the industrial area of Liège, Aix-la-Chapelle, and Cologne. By 1971, the Government plans to construct 373 more miles of expressways linking Namur, Liège, and the south-eastern provinces with Brussels, and connecting the Dutch frontier with France.

France, once convinced that superhighways did have a future, concentrated on improving roads out of the large cities and constructing the Paris-Normandy and the Dunkirk-Lille-Paris-Lyon-Marseille expressways. Now 531 miles of superhighways are open, but even by 1970 the French road system still will not connect with the German, Swiss, or Italian expressways

*Of all Common Market members, the Netherlands has the highest concentration of superhighways. Shown here: a section of the Utrecht-Amsterdam expressway. PHOTO: Courtesy of the Netherlands Embassy.*





or extend to the Iberian peninsula. Furthermore, the French Atlantic ports will still remain isolated from the rest of the Common Market while the ports of Hamburg, Rotterdam, and Antwerp benefit from the best highways in Europe.

The difficulties of financing expensive construction do not entirely explain the French lag in superhighway construction. While Germany spends 2.14 per cent of its gross national product and all receipts from its automobile users' tax on highways, France invests only 65 per cent of its auto users' tax and spends only 1.48 per cent of GNP for road improvements.

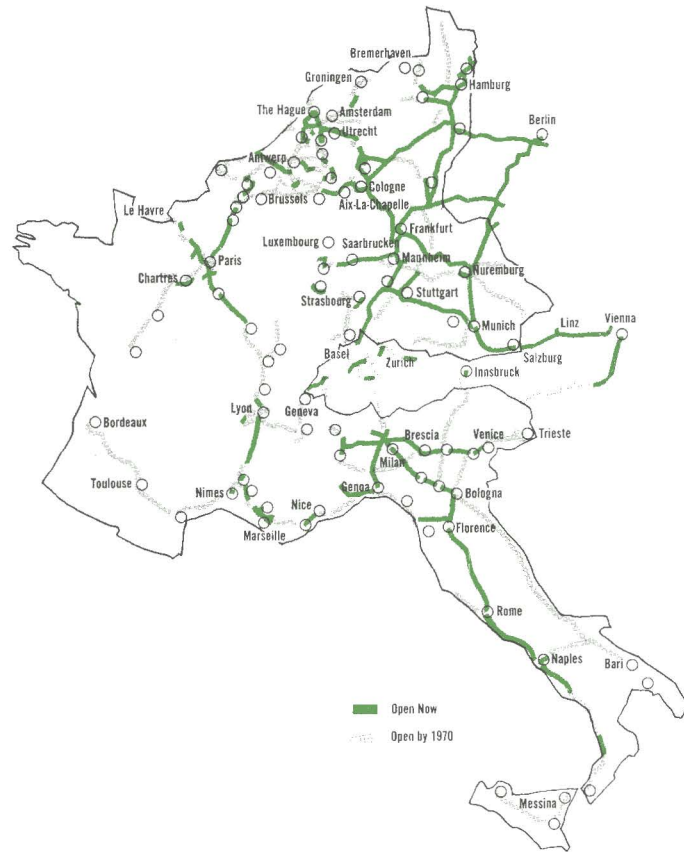
### "Caution! Turnpike Ends in 500 Yards!"

France, of course, is not the only country where turnpikes vanish into thin air. Even before the Common Market, the Six were interested in connecting their highway systems but could stretch their construction budgets only so far. Each government satisfied its own domestic requirements first, then, budget permitting, looked into the requirements of international traffic. Coordinating the six expressway networks fell naturally to the European Community institutions. A well articulated and integrated highway system, part of the transport infrastructure, was essential for the Common Market to connect the Six member states internally as well as to link them with the rest of Europe.

In 1959, the EEC Commission arranged the first of a series of inter-governmental conferences of highway experts from the six Community countries. By the end of 1961, the Commission, drawing on the views expressed at these meetings, had addressed several general recommendations to the member governments. However, the recommendations were non-binding and had little influence on new road programs.

In April 1964 the Commission proposed that the Community help finance investments in transport infrastructure. As a result of this proposal, the European Investment Bank made loans of \$24 million towards the costs of the Val d'Aoste Highway from Italy to France and the Brenner Pass Expressway between Italy and Austria, and \$22 million towards the cost of the Messina-Catania expressway in Sicily. The Bank plans further assistance for trans-frontier highway construction and is particularly interested in a proposed superhighway to connect southeastern France with Genoa. In addition, the Bank has just agreed to lend \$16 million to join the Belgian section of the Brussels-Paris Expressway with the Paris-Brussels-Amsterdam and the Paris-Liège-Cologne superhighways. It is also expected to finance the Metz-Saarbrücken expressway tying the Saar Basin and the German highways to the French province of Lorraine.

In February 1966, the EEC Council of Ministers decided to institute a formal procedure requiring the six member governments to consult each other before installing new, or expanding existing, communications links. Far more important in practice than it looks on paper, the procedure is the legal instrument for constant collaboration between the member states on the development of transport infrastructures. For each project, a technical description is required, together with estimates of its cost, completion date, and its probable effects on domestic and export trade and on the development of one or more areas of the Community. When advised of a transport development plan, the Commission informs the other member governments and, at the request of any one government, consults other member governments about the projects. Finally, the Commission keeps



the other governments informed. Coordinating timing and other planning for international superhighway works, it is hoped, will ease the tie-ups that have developed at the frontier crossings as the growth of traffic outstrips road capacity from one country to another.

### Results of the Coordination Procedure

The first formal consultation between the Commission and the Six occurred in January 1967 on three expressway projects submitted by the Belgian and French Governments. At a second consultative meeting in April 1967, projects were considered for expressways between:

- The Netherlands (from Breda to the Belgian frontier) and Belgium (from the Dutch frontier to Antwerp, Mechelen, and Brussels).
- France (from Metz to St. Avold, Forbach, and the German frontier) and Germany (from the French frontier to Saarbrücken, connecting with the German *autobahn* network).
- France (from Roquebrune on the Riviera to Menton and the Italian frontier) and Italy (from the French frontier to Savona to connect with the Genoa Expressway and the Italian network).

Later this year, the Commission plans to study a proposal for an expressway north towards the Danish frontier from Lubeck, Germany.

*Highway patrolmen in Europe, as in the United States, are ready to remind overly enthusiastic motorists of the safe speed for the road. Shown here: a section of the French Autoroute du Sud from Paris to Orly Airport. PHOTO: Courtesy French Embassy Press and Information Division, New York.*





# The "Motelization" of Europe

by BRENDAN JONES

THAT CONTINUING PROCESS known as the "Americanization of Europe" has seen the supermarket, the hot dog, the twist, and other folkways transplanted across the Atlantic. Now the motel is taking root.

The roadside accommodation, either as a handy stopping place for auto travelers or as a full-fledged vacation spot, is still a comparative rarity in Europe. But, according to a survey by correspondents of *The New York Times*, with the recent expansion of car ownership in Western Europe, "motelization" is gathering momentum.

There are some obstacles in the way such as Europe's traditional association of hotels with comfort, service, and most importantly, good food and drink. The relatively short distances between cities and towns in Europe has also seemed to make in-between motel accommodations unnecessary. However, the growing traffic congestion of cities and the rapid increase in holiday auto travel by Western Europeans are creating a need for motels and more elaborate motor inns. While some of the newer hostelries are definitely in the luxury class, most are gaining patronage with low rates and such American-style attractions as baby sitters and swimming pools.

Europe's pioneering *moteliers* are confident that the business has a bright future. Some are anxious to build up motel chains before American interests start moving in on a large scale, as it is feared they will when they get wind of the promising opportunities.



British Petroleum makes a delivery to Le Chateau de Madrid, a castle converted to a restaurant-motel in Villefranche, France. PHOTO: Courtesy of British Petroleum Co., Ltd.

## Young But Precocious

Though still small, Europe's motel industry is starting at an advanced stage. Unlike the American motels that evolved from small, simple cabins and bungalows, the European variety is beginning with such comparatively sophisticated accoutrements as TV sets, wall-to-wall carpeting, and air-conditioning.

The European-style motel also seems to be a hybrid form—annexes to established hotels designed to cater to the motoring public. These give the motorist the option of using the hotels' restaurants and public rooms. Still other European motel establishments have grown up around roadside gasoline service stations. The gasoline companies, including British Petroleum, Shell, Esso, and others, are prominent among the concerns starting to build motel and motor-inn chains.

Architecturally, the European motel appears to strive for individuality in styles covering a wide range, from traditional structures to American ranchhouses. Not all of these are in a traditional setting. A Dutch motel, for example, offers a rustic Swiss chalet restaurant with an American barbecue grill.

## Room for Growth

The present limited number of European motels shows that there is plenty of room for growth in the new industry.

In Britain, for example, there are only 100 motels. For France the motel guide lists only 50 establishments, or about the same number as two years ago. In Switzerland, where hotels (there are about 2,500 of them) represent a tradition as well as a major industry, there are 76 motels. The Netherlands, swarming with new motorists, has only a dozen motels.

In the German Federal Republic, where the main roadside motorist accommodations are the "relaxation stops" on the *autobahns*, only a third of the main highway hotels have bedrooms. German cities, as well as those in other European countries are beginning, however, to offer a growing number of large motor inns and hotels. But there is ample evidence that the present short supply of motels will soon be remedied.

In France, for instance, the Hilton organization is considering a 200-room "*moberge*" (a coinage from the French word for "inn") south of Lyons. A two-story turnpike hotel with completely modern American accommodations and abundant French service is planned. Also in France, a new organization, *Novotel*, is well beyond the planning stage. It will open a 62-room establishment this summer outside Lille, all air-conditioned and comfortably equipped. Another *Novotel* motel, with 30 rooms, is being built near Colmar in eastern France and others are planned for Marseille, Lyons, and Reims.

*Novotel's* president, Paul J. Dubrule, derides the notion that "Frenchmen are different" and will not take to motels. "Frenchmen say that they don't want supermarkets, hot dogs, jazz, or the twist," he comments, "but the success of these proves the contrary."

British motels, many of them additions to hotels and inns, handled an estimated \$14-million in business last year. Their rates, averaging \$6 a day for a single accommodation, according to John Hannam, chairman of the recently formed British Motel Association, provide first-class standards at medium-range costs.

In Germany, top rates for a double room in a first-class motor hotel run around \$10 a night, while a less luxurious accommodation is much lower in cost. Swiss rates vary according to the season, ranging from \$6 to \$9 for a single accommodation in the best motels. Swedish rates average \$5 to \$7 a person, while the average for a Dutch motel is \$5 a person, including a hearty breakfast. In all of the planning for new motel chains in Western Europe, the Dutch, for one, are not limiting themselves to motorists. One Dutch organization is said to be planning a "hippotel," a coinage from the Latin for "horse." This will offer accommodations for guests who want to tour the Netherlands on horseback.

Mr. Jones is a staff reporter for THE NEW YORK TIMES.  
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COMMUNAUTE EUROPEENNE  
EUROPEAN COMMUNITY

MARCHÉ COMMUN  
CHARBON-ACIER  
EURATOM

COMMON MARKET  
COAL AND STEEL  
EURATOM

DETERMINE A ETABLIR LES FONDEMENTS  
UNION SANS CESSE PLUS ETROITE ENTRE  
LES PEUPLES EUROPEENS  
COUNTRIES DETERMINED TO ESTABLISH  
UNION OF AN EVER CLOSER UNION AMONG

A mosaic map of the European Community in marcasite—crystallized iron pyrites—stands in the entrance hall.

## EXPO '67 Offers Low-Cost Jiffy-Tour of Europe Special Program to Celebrate "Europe Days"

CANADIANS AND AMERICANS can tour Europe this year without leaving North America. Every day since EXPO '67 opened in Montreal more than 25,000 visitors to the European Community pavilion have taken advantage of the chance to make the fastest, cheapest tour of six countries ever offered.

September 10-11 will be special days at the European Community pavilion. EXPO '67 officials have named them "Europe Days." A Community delegation, headed by the President of

the European Parliament Alain Poher (Christian Democrat—France) will be on hand to celebrate. The festivities will include meetings between Canadian and European members of parliament, a dinner-debate in which the Canadian Chambers of Commerce and the Chambers of Commerce of the six European Community members will participate, and official visits of the Community's pavilion as well as the Dutch, French, and German pavilions.

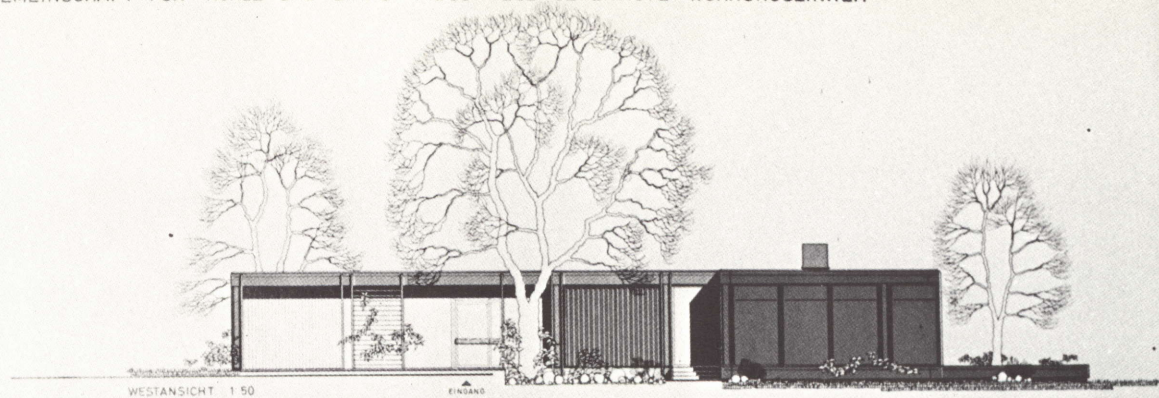
More than 60 works loaned to the Community Pavilion show the main trends in contemporary European painting and sculpture. Shown here: L'Eternel Féminin by Lucien Wercollier of Luxembourg.



Books on European art, books on European civilisation, books on current problems in European unification—all in one shop—tempt collectors to expand their libraries.

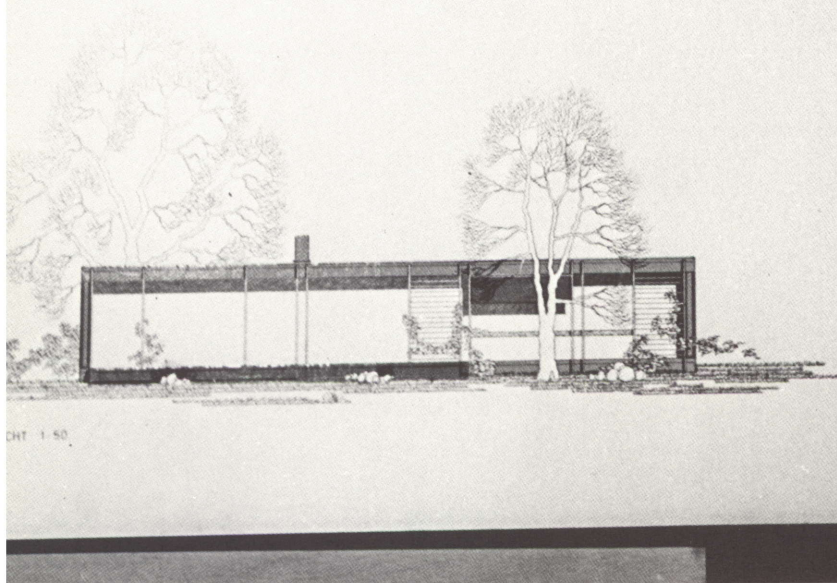






# Europe's House of Tomorrow

GERMAN TEAM WINS ECSC PRIZE



2 EINFAMILIENHAUS  
ANSICHTEN

*Town planning today, when automation, atomic energy, and electronics are recasting the foundations of our existence, calls for a practical, imaginative, and coordinated response from public authorities, technicians, and businesses in all countries. Land development engenders an ever larger number of serious problems, some causing real distress in overly-populated and highly industrialized areas. How can the town of the twenty-first century meet the city-dwellers' human need and right to space, shelter, movement, work, and cultivation of body and spirit? The High Authority of the European Coal and Steel Community has tried to provoke answers to this question.*

IN OCTOBER 1965, the ECSC High Authority invited architects and engineers from all over the world to design a model dwelling unit for an average European family, using steel for the main structure, doors, and window-frames. The designs were to permit internal variations and were to be suitable for use as detached houses, terraced houses, or multi-story blocks and for manufacture by automatic production processes. Since work of this kind requires architectural and engineering skills, it had to be done by teams.

Three thousand teams from 53 countries entered the competition. Since each project consisted of several variations, the jury had to examine more than five thousand plans. In early November, ten teams were admitted to the second stage of the competition and the High Authority placed at their disposal

\$10,000 to enable them to improve their projects from the point of view of industrial production. In May 1967, after five more months of work, the finalists submitted their projects to the jury.

Fritz Hellwig, member of the ECSC High Authority, presided over the jury and was assisted by Dr. Franco Peco, Director General on the High Authority's staff. The jury was composed of the architects P. Vago from Paris, I. Gardella from Milan, R. Lentz from Luxembourg, and the engineers W. Henz, A. C. Schuil, and G. T. Wuppermann from Germany, J. Berder from France, and M. Baeschlin from Switzerland. Other members of the jury were the Italians Professor A. Palazzi, vice director of the Experimental Metallurgical Center, and Dr. L. Ceccarelli Balbo, a Milanese sociologist.

The jury met in Venice from June 1 to 11 to choose the winners from the ten finalists. On the afternoon of June 16, Fritz Hellwig announced the winners to an enthusiastic international audience of architects, engineers, dignitaries, and journalists in the *Sala Carnelutti* of the Cini Foundation.

The Cini Foundation, a cultural institution on the island of San Giorgio Maggiore, faces the landing-stage and Piazzetta of San Marco across the Grand Canal. The Foundation is housed in what was once a famous Benedictine monastery richly endowed in works of art.

Today there are an international cultural center and a famous nautical training school on the island: two foundations spo-



sored by Count Cini, an established captain of industry who in the fifties revived the enlightened system of patronage of the ancient nobility of the lagoon by creating on the island of San Giorgio an institution dedicated to the memory of his young son, who had died in a flying accident.

The ECSC High Authority concluded its last operation before the merger of the Community Executives in a center which has become familiar to the Community institutions. It was at the Cini Center, for example, that in May 1956 the final ministerial conference was held by the ECSC member countries in preparation for the signing of the Treaties of Rome.

Professor Spanio, president of the Cini Foundation, greeted the guests at the June 16 ceremony.

Mr. Hellwig then announced the winner of the competition, the German architect Jochen Brandi of Göttingen, who with a team of eight experts had worked out the most coherent project of a model house for the European citizen of tomorrow. The jury then announced the names of the other nine finalist projects. They had been prepared by nine teams headed by the following architects and engineers:

- Gianni Celada, *architect*, Milan
- Maurizio Clerici, *architect*, Rome
- Paul Kaiser, *architect*, Luxembourg
- Leszek Lesmiak, *architect*, Krakow (Poland)
- Mathias Luchsinger, *architect*, Lucerne (Switzerland)
- Bernard Murisier, *architect*, Lausanne (Switzerland)
- Herbert Ohl, *engineer*, Ulm (Germany)
- Renato Severino, *architect*, Milan
- Franco Sironi, *engineer*, Milan

Jochen Brandi (center) and two members of the team that designed the prize winning house on the opposite page pose in front of their floor plans.



The press conference on June 16 when the results of the ECSC House Design contest were announced.

The prize will be presented to Jochen Brandi in Luxembourg on September 14 at the opening of the exhibition of the 500 projects examined by the jury during the first stage of the competition.

A report on these projects, Mr. Hellwig explained, will be prepared to guide the new European Commission in continuing the experiment which the competition in Venice had only started. All of the projects had contributed a wealth of ideas and suggestions of great value to the oldest of the European Communities, the ECSC, which for some time has been urging greater use of steel in modern building, he said.

The ECSC High Authority intends in the future to continue to call on scientists, technicians, professional and trade organizations, and public authorities experienced in town planning with the purpose of encouraging greater international cooperation on solving the problems of planning cities for the industrial society of today.

Venice, a miracle-town built on water and mud with its famous Piazzetta of San Marco, was deliberately chosen for the conclusion of the ECSC's international architectural competition. The architectural prodigies of the past, clearly visible across from the island of San Giorgio, provided a worthy setting on a warm June day for the meeting of professional men and Community experts, gathered to prepare the prodigies of the architecture of the future in the service of man, his well-being, and his physical and spiritual development.



# COMMUNITY NEWS

## EEC COMMISSION'S TENTH REPORT STRESSES DANGERS OF COMMUNITY AT MIDPOINT TOWARD ECONOMIC UNION

The European Economic Community Commission's Tenth General Report passes leadership to the new European executive Commission, stressing the dangers of the Community's current position half-way towards economic union.

The report covers the main events in the Community between April 1, 1966, and March 31, 1967, and reviews the achievements of the first decade. In the introduction to the report, the EEC Commission outlines its thinking on the considerations that should guide the Community institutions in the next few years. Because the customs union will soon be complete, the Commission urges concentration on achieving the economic union which requires "all the measures needed to create conditions akin to those of an internal market in the Community area." "The half-way situation of the Community presents risks of imbalance if not rupture," the Commission states.

### Priority Action Demanded

Even though the dismantling of customs will be complete in less than a year, the Commission states that "it would be a mistake to speak of a real common market." Numerous legal and administrative differences still restrain intra-Community trade. "Strictly speaking, it is still 'external trade,'" the Commission states. Furthermore, without a common commercial policy there "can be no real common market" which requires agreement on and juridical definition and guarantee of the treatment of different products. The Commission urges that consideration be given now to a procedure to transfer the numerous existing bilateral and multilateral agreements to the Community.

In addition to these trade barriers, there are still fifteen commercial monopolies in the Community. There is still no clear solution for some very important monopolies, specifically petroleum and natural gas, tightly bound to energy policy.

### Achieving the "Common Market" Conditions

July 1, 1968, remains the scheduled date for the complete removal of tariffs on all goods in intra-Community trade. During 1966 intra-Community duties changed only for a few agricultural products: tobacco, beef, and veal.

The common customs tariff (CCT) on imports from non-member countries will also apply next July 1, the Council decided in July 1966. The main changes in the CCT during 1966 were:

- A 20 per cent reduction in the CCT duties for 500 items on which a 20 per cent reduc-

tion had not been achieved in the 1960-61 tariff negotiations under the General Agreement on Tariffs and Trade.

- The suspension of duties on material for the repair and maintenance of large aircraft.

The Commission continued working to harmonize national customs laws and procedures. It planned to present a proposal on customs valuation in the first half of 1967 and to complete studies and discussions with the national administration on credit arrangements for duties on bonded goods. In December 1966 the Commission proposed a decision to streamline customs formalities in intra-Community trade by eliminating import and export licenses, visas, and permits for all but a few items.

Wage-earners in the Community can now move freely throughout the Community but the same is not yet true for persons and companies supplying goods and services. The Commission calls for a particularly concerted effort to secure freedom of movement for the liberal professions and to establish a suitable company law. In January 1967 the Council issued a directive on self-employed activities in real estate and business services.

*All Community members now allow tourists' cars registered in other member states to cross their borders without special documents, although for camping trailers every member but Germany requires special temporary import documents. To abolish inconveniences of this sort, the Commission continued work during 1966 on the harmonization of the varying national customs laws and regulations of the six member states.*

Other proposals for freedom of establishment dealt with direct insurance, casualty insurance, and prospecting for oil and natural gas. Studies and proposals were also in preparation for wholesale trade in toxic products, drugs and medicines, intermediaries in the pharmaceutical trade, and the manufacture of drugs and medicines. Other studies on the arrangements governing banking and on the mutual recognition of degrees and diplomas were nearing completion.

In February 1967 the Council adopted the first of two directives for introducing a common value-added tax system in all member countries. These directives were a decided step in the direction of creating conditions similar to those in a domestic market. (see European Community No. 101). The Commission also put the finishing touches on a broad tax harmonization program dealing with excise taxes and other direct fiscal charges (see page 22).

In the area of competition policy, the Commission approved several cooperation agreements between small and medium-sized businesses and examined the margarine and fertilizer industries. A regulation for block exemption from the competition laws for certain exclusive dealing agreements was passed during the year and came into force on May 1, 1967. The Commission's overall aim was





to encourage legally permissible cooperation agreements between medium and small businesses.

Another element of competition policy, free movement of capital and the establishment of a European capital movement, is imperative for economic union, the Commission emphasized. In February 1966 it submitted an amended proposal for a third directive to liberalize exchange controls and published a report on the establishment of a European capital market prepared by an independent group of experts.

The Common transport policy, because of the effects transport costs have on prices, cannot be put off any longer, the Commission stressed. During the year, it proposed a program to achieve this policy by 1973.

#### **Towards An Economic and Financial Policy**

The Community's overall rate of growth during the year amounted to 4 per cent in real terms, but each member country's situation differed. Their real growth rates varied from a high of 5.5 per cent in Italy to a low of 2 per cent in Luxembourg.

The Community's consumer price index rose 3.5 per cent during the year, compared with a 3.3 per cent increase in 1965. The Community maintained its international competitive position, however, and its current account improved by \$500 million, assisted by the expansion of trade between the member countries.

Intra-Community trade, valued at \$22.7 billion, expanded 12 per cent in value during 1966, compared with 13 per cent the year before. This still fairly strong rate of growth masked a considerable slow-down towards the end of the year, the Report stated, as demand for both capital and consumer goods flagged. Intra-Community trade in consumer products accelerated slightly during the year, chiefly because of the 22 per cent increase in trade in motor vehicles. The latest available figures for the Community's total consumer-goods imports (from member and non-member countries) amounted to \$9.8 billion in 1965, compared with \$8.5 billion in 1964. Community-origin imports accounted for 56 per cent of this total.

The share of intra-Community imports in each member state's total imports still varied considerably, according to the latest data. In 1965 the figure was 72 per cent for the Belgium-Luxembourg Economic Union and the Netherlands, 56 per cent for Germany, 45 per cent for France, and 41 per cent for Italy.

The medium-term economic policy program, approved in February, stressed the need for the member states to place their regional development plans within a common Community pattern. The 1965 study for the creation of an industrial pole of attraction in southern Italy aroused lively interest; and the Commission is now cooperating with the "Institute to Assist Development of the South," which is promoting the pole for the Italian Government. In the frontier areas of France, Belgium, and Luxembourg, the French and Belgian governments' action, on the Commission's recommendation, is about to yield practical results. The Commission's staff is also working closely with the Com-

munity's Statistical Office to prepare a program to collect regional economic data. It has begun to study the legal, financial, and technical resources necessary for structural adaptation of industries which depend on scientific and technical research for their growth.

#### **Labor and Social Policy**

The Community has fulfilled its tasks under the Treaty: to secure free movement of workers, to use the European Social Fund to soften any adverse effects of the Common Market on workers, and to supervise vocational training. The European Social Fund has spent \$8.8 million to retrain and relocate 53,632 workers. The member states bore the other half of the total costs.

During 1966 four recommendations were sent to the member states: on vocational training, on the medical supervision of workers exposed to special risks, on the conditions for giving allowances to victims of occupational diseases, and for the protection of young people at work. In March the Commission submitted a memorandum on the Community labor market to the Council, recommending the differentiation of labor policies.

In addition, the Community has extended its research into many other aspects of social life. It has completed, for example, studies on the employment, working, and living conditions of women, young people, and disabled persons, and on the special problems of the elderly. The Commission has consistently advocated a common policy on education to help young people adjust to the realities of the Common Market and to inculcate in them a "European" awareness.

#### **The Community and Its Associates**

The association between the Community and the African and Malagasy states has permitted an increase in trade and contributed to economic and social development. From 1965 to 1966 the associates' exports to the Community increased 16 per cent by value. In March 1967 a study of the production, marketing, and consumption of products of special interest to the associated states was submitted to the chairman of the Association Committee. By March 1967 the Community had channeled \$398 million for economic development and social improvements in Africa through the European Development Fund. However, the Commission notes in the introduction to the report, better coordination could improve the Community's financial and technical assistance.

The financial protocol to the Community's agreement with Turkey is being implemented satisfactorily. Since the agreement came into force, the European Investment Bank has loaned the Turkish Government \$67.1 million for three infra-structure projects and ten industrial plans. The Community is gradually increasing the annual tariff quotas for tobacco, dried grapes, dried figs, and hazelnuts.

Until the spring of 1967, the association with Greece functioned normally, but the Commission expresses its concern in the introduction to the report about the effects the current situation in Greece could have on the association.



*The European Social Fund has spent \$8.8 million to retrain and reemploy redundant workers from certain industries.*

#### **The Community's External Relations**

The Community's external relations in 1966 were punctuated by two main events: the successful conclusion of the Kennedy Round of negotiations held under the General Agreement on Tariffs and Trade, and the British initiative to join the Community which culminated in an official application for membership in May 1967.

From April 1966 to March 1967 the Commission held periodic discussions with the Danish, the Irish, and the Norwegian Governments. On December 6, 1966, the Council gave the Commission new terms of reference for the negotiations with Austria, and agreement was reached on the time-table for tariff dismantlement. The Council is now studying the Commission's report on the second phase.

On February 1, 1967, the Commission sent the Council a memorandum on the Community's relations with Yugoslavia, and the Committee of Permanent Representatives has arranged for a study of the terms of a possible non-discriminatory trading agreement with Yugoslavia.

Exploratory talks with Spain were concluded on July 19, 1966. Now the Council is studying the Commission's report of November 25, 1966.

The Commission continued to participate in the work of the Organization for Economic Cooperation and Development and various other international organizations.

### **ECSC CONGRESS TO STUDY EFFECTS OF INTENSE CHEMICAL AND PHYSICAL PRESSURE ON STEEL**

The European Coal and Steel Community's fourth International Steel Congress will focus on the behavior of steel under intense chemical and physical pressure.

Experts from the chemical and chemical-equipment manufacturing industries will participate in the congress, to be held in Luxembourg on July 9-11, 1968. The purpose of the congress is to help establish guidelines for steel research and to promote closer cooperation in this field between steel producers and consumers.



## EURATOM AFTER THE MERGER: 10TH GENERAL REPORT SUGGESTS JOINT RESEARCH INTO OTHER ADVANCED TECHNOLOGIES

The European Atomic Energy Community's Tenth General Report, covering 1966, reviews Euratom's major contributions to the development of nuclear technology among the Six, outlines the Euratom Commission's attitude towards the proposed non-proliferation treaty, and proposes goals for the Community's future nuclear research.

Euratom Commission Vice President Antonio Carelli presented the Report to the European Parliament on June 20. The success of Euratom members' joint nuclear research, he said, might suggest the application of a similarly "concentrated" approach for research in other areas of advanced technology—under its first two research programs, Euratom filed 4,261 patents and published 1,321 scientific reports and 1,335 communications.

### Long Range Estimate of Generating Capacity Raised

The Tenth General Report indicated that the nuclear industry has expanded so rapidly that the Community, like the United States,

*The Rapsodie fast reactor at Cadarache, France, went critical on January 28, this year. This is a view of the rotating plug of the reactor from above.*

has had to raise its long-term nuclear-generating capacity forecasts. The U.S. Atomic Energy Commission recently revised its 1966 estimate of 80,000-110,000 MWe of capacity by 1980, up to the range of 120,000-170,000 MWe. Similarly, Euratom has increased its "First Target Program" estimate of 40,000 MWe nuclear capacity installed by 1980 to a "reasonable" minimum of 60,000 MWe, a figure based on estimates issued by the national governments.

The Community's present installed nuclear generating capacity amounts to 2,106 MWe, of which 1,039 MWe are in France, 607 MWe in Italy and 317 MWe in the Federal Republic of Germany. A further 2,203 MWe of capacity is under construction, and 4,020 MWe is at the design stage. The total in operation, under construction, or being designed thus amounts to 8,329 MWe, of which 3,274 MWe are in France, 2,455 MWe in Germany, 1,543 MWe in Belgium and 1,207 MWe in Italy. This 8,329 MWe for the Community compares with a total estimated world capacity of 45,000 MWe in operation,

under construction, and at the design stage.

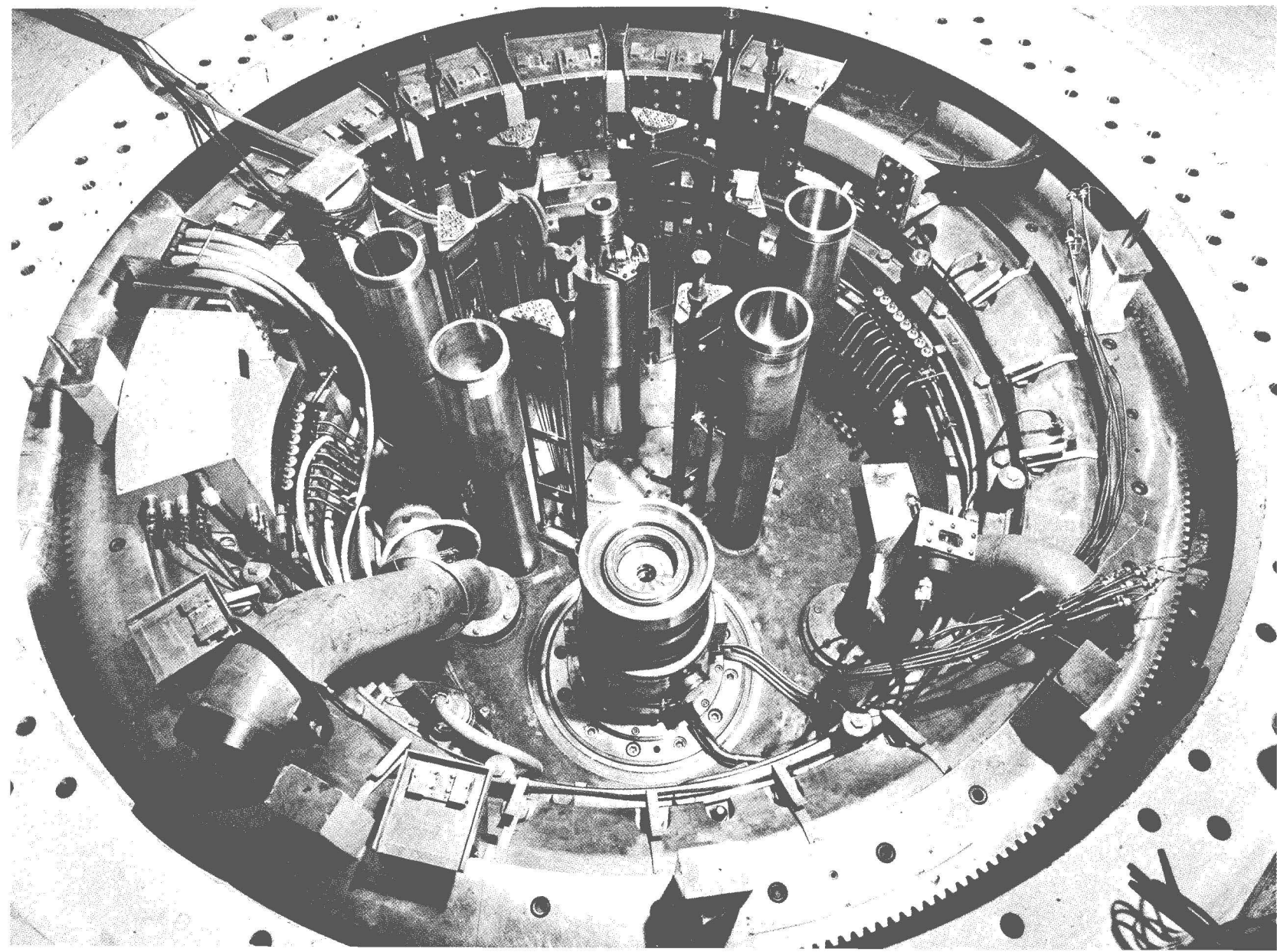
By 1980 Germany will take first place in the Community with an estimated nuclear-generating capacity of 25,000 MWe. France will have a predicted 17,000 MWe, and Italy 12,000 MWe.

The Tenth General Report further states that despite the establishment of the nuclear common market in January 1959, little progress has been made towards the unification of the national industries. Euratom's research program, however, has resulted in a "partial opening of frontiers." The Report also notes that, in comparison with the United States, the Community has done less to coordinate its electricity producers' investment and operating programs; as a result, the opportunities for creating larger, more economical production units are being insufficiently explored.

A priority objective for the future, says the report, is the modification of the six widely differing structures of the nuclear industries in the member states. Securing further support from Euratom or its member governments to build prototype power reactors is another priority objective.

### Proposals for Further Action

A major event of 1966 was the Commission's proposals to the Council of Ministers





for Community action when the Second Five-Year Research Program expires at the end of 1967. The proposals take into account the technical progress marked by the passage of certain reactor types into the industrial stage and the outlook for nuclear energy development.

The program proposed for a new five-year period (subject to revision during the third year) includes:

- Direct action based on a joint program financed together by the member countries and executed mainly by the Euratom Joint Research Center. This would include, at the Ispra establishment, work on the completion of the organic liquid-cooled reactor (ORGEL) project, the construction of a pulsed reactor (SORA), and research on the direct conversion of nuclear energy into electric power.

- Participation in certain national projects, consisting of financial aid by Euratom or provision of personnel or material.

- The creation of an industrial promotion fund, details of which are now under study.

#### Emphasis on Fast Reactors

Euratom's most important research concerns fast reactors. Here, the report says, work went ahead most satisfactorily, although the Commission encountered difficult financing and organizational problems.

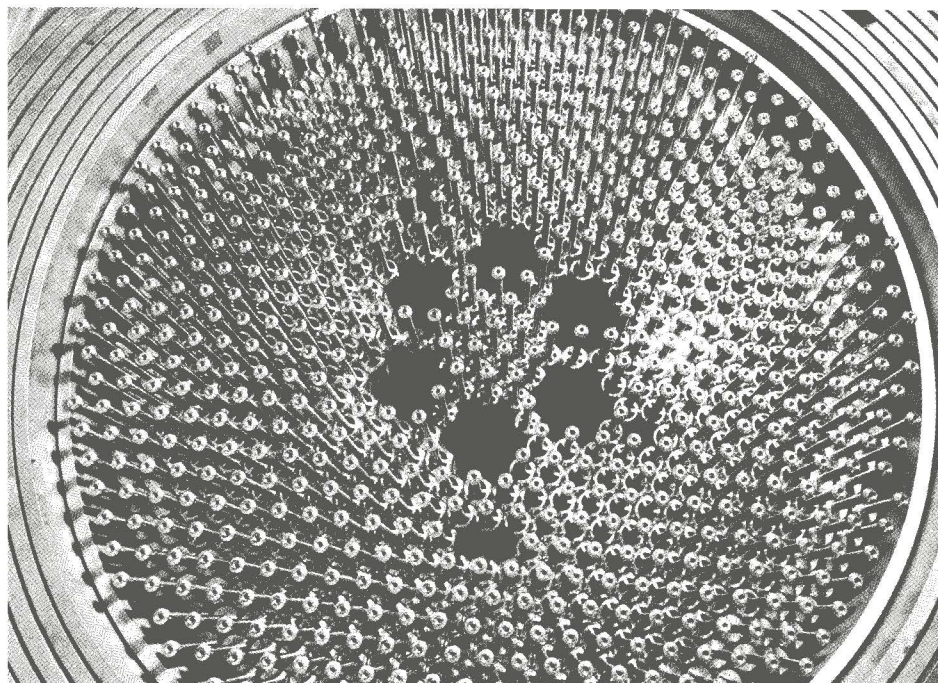
The problems caused by the rise in program costs after the revision of the Second Five-Year Program in the summer of 1965 were finally solved after the report was issued. On July 25, 1967, the Council of Ministers approved the Commission's new proposal for revising the program (see page 22).

The Tenth General Report states that during the year, timely decisions in negotiations with certain contract partners were impossible. Thus, Euratom's association contract with CNEN, the Italian Atomic Energy Commission, expired on June 30, 1966. Though the financial ceiling for the association contract with the German GfK company at Karlsruhe was raised to meet its needs, this proved to be impossible for the association contract with the CEA, French Atomic Energy Commission, which expired at the end of 1966 without any decision to continue it into 1967.

Nevertheless, the mixed team at the Cadarache research center in France still continues its work—the *Harmonie* source reactor has been operating normally since the beginning of 1966, the *Masurca* critical assembly went critical on November 15, 1966, and the *Rapsodie* reactor went critical on January 28, 1967. In Karlsruhe, Germany, the *Sneak* critical assembly went critical on the same day as *Masurca*, and Ispra, Italy, the Esortor test reactor under the *ORGEL* program, went critical on March 19, 1967. Also at Ispra, a competition was launched for a design study of an *ORGEL* prototype.

#### Euratom-U.S. Power Reactor Program

Most of the five power stations under the Euratom-U.S. power program and Euratom's participation program are now in operation: Garigliano and Latina, Italy; Chooz, France-



The core of the *Rapsodie* reactor showing the arrangement of the hexagonal fuel assemblies and the circular control rods.

Belgium; and Gundremmingen, Germany. The construction of the Dodewaard power station in the Netherlands is proceeding normally. To the list of power stations established as Joint Enterprises (Chooz, Gundremmingen, and Lingen, Germany) has been added the station at Obrigheim, Germany.

In exchange for its financial participation in the power reactor program, the Commission receives a regular flow of information. Thus the Commission has built up a "thesaurus" of technical data on the construction, testing, and operation of these five power stations. The Commission distributes this information at meetings which attract ever-growing interest from industrial circles. One meeting sponsored by the Commission in 1966, devoted solely to the Chooz station, brought together 260 participants from 108 firms and organizations in the Community.

#### Unique Documentation Service

Another highlight of the year was the opening of the Information and Documentation Center's semi-automatic documentation service to Euratom's research workers and to the principal nuclear documentation centers of the six member countries. Articles, books, and other "published world knowledge" of nuclear matters, today estimated at 500,000 "data bits," is growing by more than 100,000 units a year. All of this information is stored in a computer memory for fast retrieval in the form of complete reference lists. After an experimental period of a few months, the semi-automatic documentation will be open to all persons and enterprises within, and later outside, the Community.

The pace of Euratom's Safeguards and Controls department also responded to the general expansion of nuclear activities in the Community. By the end of 1966 technical features of 185 Community nuclear installations had been sent to the Euratom Commission, and 216 installations were regularly filing reports on their stocks and transfers of fissile materials. Also by the end of 1966, the Safeguards and Controls department had conducted 294 inspections, 110 of them during 1966.

#### The Non-Proliferation Treaty

Early in 1967 the U.S. Government consulted the Euratom Commission on certain

aspects of the draft nuclear non-proliferation treaty. The Commission informed the Council of Ministers and continued contacts with the American Authorities.

The Report emphasizes that the Euratom-U.S. agreements explicitly regulate the fissile materials delivered to Euratom by the United States. Recognition of Euratom's powers of control and of their value and efficacy are matters of contract which cannot be amended except by contract, the report states. Furthermore, the control thus recognized, because vested in the Community, can only be modified in accordance with the terms of the Euratom Treaty.

This control, the report stresses, is based on a fundamental principle of the European Communities—equality of rights and non-discrimination in their application. Euratom exercises control in the territory of its member states over the peaceful use of fissile materials, without regard to whether or not these states possess nuclear armaments. Consequently, any signature of a non-proliferation treaty by member states must not, the report states, introduce discrimination or diversion inside the Community through the wording of the control clauses in such a treaty. This, the report says, does not rule out the possibility of concluding a technical cooperation agreement between Euratom and the International Atomic Energy Agency (IAEA) by which the efficiency of control could be verified by scientific methods mutually agreed upon. The Commission would be glad to see its numerous technical contacts with the IAEA put on a more official footing, according to the report.

—In 1966 the Commission, its contractors, and associates produced, published, or presented at conferences 502 scientific and technical reports and 589 communications. They also filed 1,019 patent applications (51 of them initial applications in Euratom's name) and were granted 251 patents for invention. —The control and supply provisions of Community agreements with third countries replaced control and inspection provisions which expired with certain bilateral agreements. In November 1966, for example, when the U.S.-French bilateral agreement expired, fissile materials supplied to France became subject to the terms of the U.S.-Euratom agreement.



## DIRECT TAX HARMONIZATION PLAN OUTLINED

A plan to harmonize the six European Economic Community members' direct tax systems and a draft directive to institute a common method of calculating the average rates of turnover taxes are now before the Council of Ministers. On July 4, the day before its term expired, the EEC Commission announced that it had sent both proposals to the Council.

The direct tax harmonization program stresses the need to act before the July 1, 1968, deadline for customs union. According to the Commission, the growing freedom of capital movements, the need for industrial concentration, changes in the structure of enterprises, and competition for investment funds made this program necessary. Its purpose is to eliminate all international double taxation on dividends and basically to bar anything that distorts capital movements, perpetuates the fragmentation of the national capital markets, or hinders savings. The program proposes:

- The introduction of a system for deducting taxes on debenture interest and dividends at the source. (The individual could subtract these deductions from his personal income tax return and claim a refund for tax withholdings in excess of liability.)
- Revision of some discriminatory aspects of tax credits (in France and Belgium) and of the *avoir fiscal* (deduction from the shareholder's personal income of part of the tax paid by the company).
- Uniform arrangements to lighten taxes on dividend payments (granting tax relief either to the company or the shareholder).
- Work on solutions to remove tax disadvantages for investments by investment trusts and funds.
- Examination of the current arrangements for taxing holding companies and to harmonize them if necessary.

The Community members' current tax arrangements discourage industrial concentration and structural reorganization at Community level by making them too expensive. To rectify this situation, the Commission proposed:

- Improvement of the corporation tax and source deduction system for parent and subsidiary companies with their main offices in different Community countries.
  - Formulation of tax provisions that would allow mergers and transfers of assets between companies of different member states.
- To achieve equal competitive conditions for investments, the Commission proposed:
- Clarification of the Community members' obligations, under Articles 93 and 102 of the EEC Treaty, to consult each other before changing their methods of assessing company profits which stimulate and are likely to distort competition. It would also be necessary to harmonize tax provisions that might be adopted to stimulate investment.
  - Approximation of the company profits tax base and the laying down of fundamental rules for amortization.

## Common Methods of Calculating Turnover Tax Rates

In February 1967 the member states agreed to institute a common, cumulative, multi-stage tax on the value added at each stage of manufacture and distribution. Article 97 of the EEC Treaty allows the member states to establish average turnover tax rates for internal charges on imports and for export drawbacks, provided that no discrimination against another member state arises. Supervision, however, is difficult because the member states' current methods of figuring the compensatory amounts are quite different and extremely complicated. In response to the member states' wishes for greater clarity and certainty about import charges and export drawbacks, the Commission proposed a common method of calculation offering three possibilities ranging from detailed computation to a simple estimate. The draft directive specifies when the different cost-price factors may be taken into account. The directive would expire on January 1, 1970, by which time all member states will have adopted a common turnover tax.

## COMMON MARKET COMMISSION CHALLENGES EXPORT BAN

The Commission of the European Economic Community made a further contribution to the growing body of Common Market anti-trust law recently when it challenged a ban-on-exports clause contained in a European company's sales contract. Following the Commission's challenge, the company said it would delete the offending clause.

The company had exclusive sales rights in one Community country for its parent company's products. In its sales contract, the subsidiary stipulated that buyers of the parent company's products could not export them and could supply them to dealers for resale only if the dealers also agreed not to export them. In the other Common Market countries, the products are sold by the parent company itself and by concession holders or intermediaries on whom no export ban is imposed.

Article 85 (1) of the EEC Treaty prohibits agreements between enterprises which may affect trade between the member states or restrict competition. Article 85 (2) nullifies agreements or clauses of agreements which violate Article 85 (1); Article 85 (3) provides for exemption from Article 85 (1) if the restrictive practices contribute to economic progress which could not be achieved in any other way and safeguard consumers' interests.

The Commission found that the export ban clause in question had as its object and result the prevention, restriction, and distortion of competition within the Common Market: it had prohibited the subsidiary company's customers and those who bought from them from exporting the parent company's goods and prevented importers in the other member countries from buying these products from any enterprise but the parent company at prices that might have been lower. Thus, the Commission found, the export ban divided the EEC into two separate markets for the

parent company's products; the subsidiary and its customers supplied one member country, and the parent company the others.

The Commission also considered that the ban on exports was "liable to impair trade between the member states;" because, as all the subsidiary company's dealers and their customers had accepted the clause, the parent company alone retained the right to supply the products concerned to the other member countries, thereby effectively eliminating the possibility of competitive "parallel" exports.

The Commission saw no reason to exempt the agreement under Article 85 (3) since the export ban did not improve production or distribution, promote technical or economic progress, or result in benefits shared with the consumers.

## EURATOM RESEARCH BUDGET AND SECOND FIVE-YEAR RESEARCH PROGRAM APPROVED

The European Council of Ministers has reached agreement on the European Atomic Energy Community's 1967 research budget and on revision of Euratom's 1963-67 Five-Year Research Program. An important key to the solution of Euratom's short-term difficulties was an overall compromise on fast reactor research.

The Council, on July 24, voted \$117,441,000 in payment credits and \$98,118,000 in new funds for Euratom's 1967 research budget. The sum approved for fast reactor research was \$21,150,000. At the same time, the total five-year sum available for Euratom's contribution to fast reactor research was raised from \$82.5 million to \$88.8 million.

The increase in funds for fast reactor research reflected the compromise solutions for financing the deficits in the association contracts with the French Atomic Energy Commission (CEA) and the German nuclear research center (GfK) at Karlsruhe. An additional Euratom contribution was also made to the Italian Atomic Energy Commission's (CNEN) PEC fast reactor project.

The Council approved two amendments to the association contract with the CEA:

- Extending the association from the end of 1966, when it expired, to the end of 1967.
- Raising Euratom's contribution to the joint work to \$61.8 million.
- Providing for CEA to "pre-finance" the \$2.8 million deficit in the cost of the plutonium obtained in 1966 from the United States for the "Masurca" reactor at Cadarache, France.

The Council approved an amendment to the association contract with the GfK, raising Euratom's contribution to \$24,560,000.

Finally, the terms of a contract with CNEN were approved, providing a Euratom contribution of \$6,750,000—the remainder of \$9 million originally earmarked for Italian fast reactor research between July 1, 1966, and December 31, 1967. This contract, however, does not constitute a renewal of the Euratom-CNEN association which expired on July 1, 1966.



## DUTCH AUTHORIZED TO LIMIT IMPORTS OF CARDED WOOL FABRICS

The European Economic Community's Commission has authorized the Netherlands to limit all imports of carded wool fabrics for 12 months starting on July 1, 1967.

The safeguard measures, authorized under Article 226 of the EEC Treaty, are intended to ease economic and social hardships on Dutch textile workers until new employment can be created.

Cheaper imports, particularly from Italy, reduced the number of Dutch carded wool manufacturers from 32 in 1953 to 12 in 1966. Production dropped from 11,400 tons in 1958 to 5,950 tons in 1966. Unemployment rose, particularly in Tilburg, the center of the Dutch carded wool industry; but until the manufacturers convert production to higher quality fabrics, the redundant textile workers cannot find jobs. A joint study group formed by the Dutch Government and the wool industry is working on a plan to make the industry economically viable.

The Belgium-Luxembourg Economic Union had also requested permission to apply safeguards, but the Commission refused the request for lack of evidence of serious and persistent difficulties.

## THIRD FILM INDUSTRY DIRECTIVE WOULD COVER DISTRIBUTION AND RENTALS

The Commission of the European Economic Community has proposed a third motion picture industry directive to eliminate restrictions on film distribution and rentals.

Within six months after its notification, the proposed directive would require the EEC countries to remove all restrictions on the exercise of exploitation rights for commercial films imported from other EEC countries. It would apply to all film distribution and rental leasing activities from importation to projection in local theaters.

The first Council directive, approved on October 15, 1963, removed restrictions on the importation of films with original sound tracks, and freed quotas for commercial film imports. The second Council directive, approved on May 13, 1965, removed restrictions on the establishment of theaters specializing in foreign films and on the importation of films dubbed in the importer's language.

## EIB LOAN AGREEMENTS SET \$197 MILLION RECORD IN 1966

The European Investment Bank signed 39 loan contracts worth a record \$197 million during 1966, according to its ninth annual report.

During the year, the Bank approved 31 loans totaling \$132 million. The six European Economic Community members received \$83.8 million, 64 per cent of the total. The rest went to Greece (\$17.4 million—13 per cent of the total), the associated African and Malagasy states (\$17.5 million—13 per cent), and Turkey (\$13.5 million—10 per cent). From the beginning of its operations

to the end of the year the EIB had approved loans totaling \$746 million for 146 projects.

Loans to promote the development of southern Italy and Sicily represented 58 per cent of the Bank's ordinary operations in 1966. They included \$24 million for irrigation in Sicily, \$22 million for a section of a motorway in Sicily and \$16 million for modernization of the railroad linking Calabria and Sicily to the rest of the country.

Other loans were for industrial projects in Lower Saxony, Bavaria and Rhineland-Palatinate; agricultural improvements in the Garonne Valley in France; irrigation in Thessaly in Greece; potash mining in Congo-Brazzaville; sugar and electricity production in Cameroon; and for paper, textile, and glass industries in Turkey.

The EEC Treaty assigned the Bank the primary tasks of helping backward areas of the Community develop their economies and of encouraging infrastructural and industrial development in the countries associated with the Community.

The six Community members provide part of the Bank's capital. The Bank finances the rest of its operations in the European and the U.S. capital markets, where it borrowed \$138.5 million in 1966. At the end of 1966, the Bank's funded debt amounted to \$355 million. Further issues have taken place in 1967.

## FINANCE MINISTERS AGAIN STRESS NEED FOR BETTER INTERNATIONAL BALANCE OF PAYMENTS

"No matter what improvements may be made in the mechanisms for international monetary cooperation, the problem of achieving a better international balance of payments will remain," according to the Community members' ministers of finance and central bank governors. They made this statement in a *communiqué* issued after their July 4 meeting in Brussels.

The *communiqué* also stated that they had:

- Confirmed their understanding on international monetary reform reached in Munich on April 17 and 18 (see *European Community* No. 103), and
- Completed their "common position for the forthcoming international monetary meetings."

The next meeting on international monetary questions took place in London on July 18 among the Group of Ten participants in the General Arrangements to Borrow. During this meeting, the Group of Ten *communiqué* stated that the ministers and governors had considered and had "narrowed their differences" concerning "an outline of a contingency plan" to "establish new facilities, in the form of automatic drawing rights and administered by the International Monetary Fund." The *communiqué* also said that the ministers and governors had "noted that the proposals to make certain changes in the rules and practices of the International Monetary Fund put forward by the EEC countries are currently being examined in the International Monetary Fund."

## HIGH AUTHORITY RAISES TURNOVER TAX TO 0.3%

The High Authority of the European Coal and Steel Community has decided to raise its turnover levy on coal and steel producers to 0.3 per cent to help meet the rising expenses for retraining and re-employing redundant workers in both industries.

From this source, the High Authority will receive \$31.7 million this year, \$4.7 million more than in 1966. Other revenue, mainly from investments, will bring the High Authority's total income to \$36.2 million.

Expenditures, estimated at \$44.5 million, including \$17 million for retraining and re-employing workers and \$6 million for research, will leave the High Authority with a deficit of \$8.3 million to cover from reserves.

## EUROPEAN SCHOOL GRADUATES 134

The European School, Brussels, awarded the *baccalauréat* to 76 out of 82 candidates for the degree.

Jean Rey, President of the European Commission, attended the graduation ceremony on July 7 when the candidates first learned whether they had passed the oral and written examinations. The degree entitles the graduate to attend any university in the European Community and Austria, and some British, Swiss, and American schools (see *European Community* No. 102).

The European Schools in Luxembourg, Varese, and Mol awarded the degree to 36 out of 48, 15 out of 21, and 7 out of 8 candidates, respectively.

## FIRM DROPS EXTRA CHARGE ON GOODS FOR EXPORT

A producer in a Community country may not charge two prices for the same product: one price for the product if sold domestically and another price, relatively higher, for the product if resold in another member state. This conclusion was reached by the Common Market Commission in June after investigating a complaint that the practice was unfair discrimination.

A major animal feed producer charged one of his clients extra for those quantities of a particular product which the client then resold to customers in a neighboring member state. The producer justified the higher price by claiming that he, himself, also sold the product directly to the neighboring state and that he had to bear publicity costs in that country which were higher than those at home. The producer reasoned that any other supplier in the second country's market should share the added advertising costs by paying the extra charge on the product.

The Commission agreed that the extra charge did, in fact, correspond to the additional advertising costs. Nevertheless, it found the practice incompatible with the Community's competition rules, as it restricted trade by artificially discouraging resale across the Community's internal frontiers. The producer discontinued the discriminatory practice when notified of the Commission's view.



## EIB TO HELP FINANCE TURKISH STEEL MILL EXPANSION

The European Investment Bank will lend the Government of Turkey the equivalent of \$700,000 to help finance the extension and conversion of a steel plate mill in Istanbul. The Industrial Bank of Turkey will relend these funds at commercial rates to *Celik Endüstriyel T.A.S.*, the executor of the project which will require a fixed investment of \$1.7 million.

During the first five years its association agreement with the Community, Turkey may borrow up to \$175 million from the EIB for development projects. On June 1, 1967, at the end of the first three and a half years, the EIB had committed \$87.6 million for projects in Turkey.

## UNIFORM RULES ON PATENT MEDICINE ADS PROPOSED

Uniform rules for advertising patent medicines were proposed by the European Economic Community's Commission on June 6.

The proposal, the Commission's fourth on branded pharmaceuticals, attempts to protect the general public from false or seriously misleading claims for drugs and remedies. It attempts to ban, for example, advertising claims (especially in movies and on radio or television) which maintain that a medicine obviates the need for professional medical treatment, might cause anxiety psychoses, are directed mainly at young people, or use so-called "certificates" and "expert opinions."

The proposed fourth directive on patent medicines specifies that ads directed at doctors, pharmacists, and other specialists must state the manufacturer's name and address; the medicine's active ingredients, benefits, and possible side effects; and instructions for its use.

The first Council directive, adopted on January 26, 1965, harmonized the member states' laws, regulations, and administrative

procedures for issuing marketing authorizations and labeling patent medicines. The Commission's second proposed directive for quality control of patent medicines has been before the Council since February 1964. This June the Commission amended its third proposed directive for patent medicines of June 1966, dealing with permissible coloring agents.

The Commission believes that the first two directives would lead to mutual recognition of all Community members' marketing authorizations. However, the introduction to the fourth proposed Council directive states that other differences, particularly in the member countries' advertising laws for branded pharmaceuticals, would still hamper free trade in these products.

## PUBLICATIONS AVAILABLE

LAW AND THE EUROPEAN COMMUNITY. European Community Information Service, London, May 1967, 12 pages . . . . . free  
*A collection of articles on the European Community Court of Justice and the nature of Community law.*

SUMMARY OF THE TENTH GENERAL REPORT OF THE COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY. EEC Commission, Brussels, June 1967, 32 pages (mimeographed) . . . free

ADDRESS TO THE EUROPEAN PARLIAMENT INTRODUCING THE TENTH GENERAL REPORT OF THE EEC COMMISSION, by Prof. Dr. Walter Hallstein, President of the EEC Commission, Strasbourg, June 21, 1967, 17 pages (mimeographed) . . . . . free

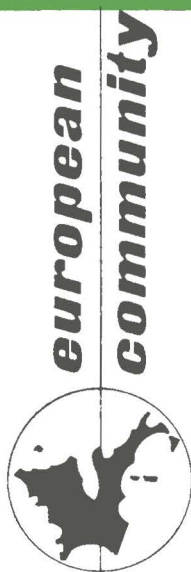
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STEEL IN AGRICULTURE. *Bulletin of the European Coal and Steel Community*, No. 66, High Authority, Luxembourg, 1967, 43 pages . . . . . \$0.60  
*A report on the third annual steel utilization congress held by the High Authority in Luxembourg October 25-27, 1966.*

LA SITUATION SUR LES MARCHÉS SIDÉRURGIQUES DANS LES PAYS TIERS: VOL. 2, PLANS D'INVESTISSEMENT ET POSSIBILITÉS DE PRODUCTION. High Authority, Luxembourg, 1967, 145 pages . . . . . \$2.00  
*The second part of a two-part study dealing with the world steel market. Volume 1 will be published this fall.*

CEE-CECA: TABLEAUX COMPARATIFS DES RÉGIMES DE SÉCURITÉ SOCIALE APPLICABLES DANS LES ÉTATS-MEMBRES DES COMMUNAUTÉS EUROPÉENNES. EEC Commission and High Authority of the ECSC, 1966, 70 pages. \$1.20  
*Fourth edition, current to July 1, 1966.*

STUDIO PER LA CREAZIONE DI UN POLO INDUSTRIALE DI SVILUPPO IN ITALIA MERIDIONALE (STUDY FOR THE PROMOTION OF AN INDUSTRIAL DEVELOPMENT POLE IN SOUTHERN ITALY). Monograph No. 5, *Economic and Financial Series*, EEC Commission, Brussels, 1966, Vol. 1, 24 pages; Vol. 2, 700 pages  
Price for both volumes . . . . . \$16.00  
*This report contains the EEC Commission's proposals to the Italian Government for developing the Bari-Brindisi-Taranto area in southern Italy. Volume 1 will be translated into English. Volume 2 (tables and graphs) will be translated into French and will include a French/English summary. Translations should be available by September.*



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