

THE  
EUROPEAN  
COMMUNITY

COAL & STEEL — COMMON MARKET — EURATOM

**THE FACTS**

POLITICS AND ECONOMICS  
INSTITUTIONS  
EXTERNAL RELATIONS



# DIVIDED



**BELGIUM**  
 population  
 9.1 million  
 area  
 12,000 sq.  
 miles



**FRANCE**  
 population  
 44.6 million  
 area  
 212,000 sq.  
 miles



**GERMANY**  
 population  
 52.1 million  
 area  
 95,000 sq.  
 miles



**ITALY**  
 population  
 48.6 million  
 area  
 116,000 sq.  
 miles



**LUXEMBOURG**  
 population  
 315,000  
 area  
 1,000 sq.  
 miles



**NETHERLANDS**  
 population  
 11.2 million  
 area  
 12,500 sq.  
 miles

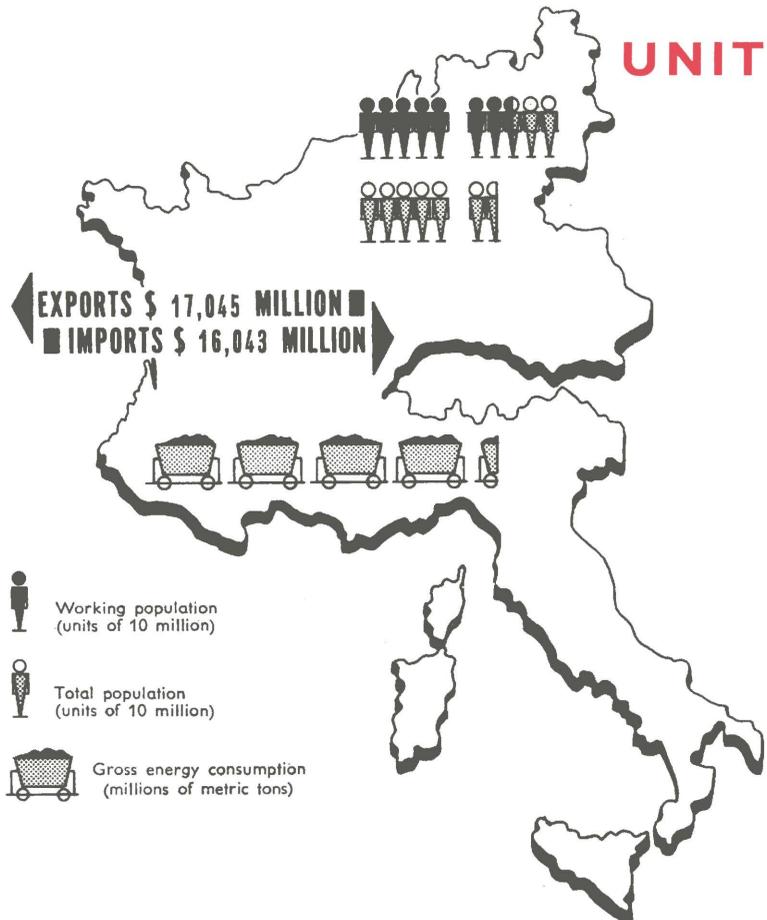
The European Community covers an area of 449,000 square miles. In this area live some 169 million people — roughly as many as there are in the United States. The active working population of some 73 million is greater than that of the United States. The associated countries and territories number a further 53 million inhabitants.

The Community in 1959 produced 63 million metric tons of steel, and 235 million tons of coal. It is the world's second largest producer of steel after the U. S.

Its crude energy consumption in 1958 stood at the equivalent of 407 million metric tons of coal.

Between 1950 and 1958, its gross national product (at 1954 prices) increased by 52%. The Community is the world's largest importer and its second largest exporter. Its total imports from the outside world in 1959 amounted to \$16,043 million and its total exports to \$17,045 million.

# UNITED



## SOME COMPARISONS:

	Community	USA	UK	USSR
Area (thousand sq. miles)	449	3,600	94	8,600
Population 1958 (million)	169	177	52	209
Active working population 1958 (million)	73	69	24	89
Steel production 1958 (millions of metric tons)	58	77	20	55
Steel consumption per head of population 1958 (kilograms)	283	436	358	262*
Gross energy consumption 1958 (millions of metric tons, coal equivalent)	407	1,332	245	599
Gross energy consumption per head of population (metric tons, coal equivalent)	2.4	7.6	4.7	2.9
Grain production (millions of metric tons, 1958)	51	186	8	139
Milk production (millions of metric tons, 1958)	57	57	12	58**
Automobile production 1958 (thousands)				
Cars	2,615	4,247	1,052	122
Commercial vehicles	410	874	313	389

\* production per head.

\*\* includes roughly 2% milk other than cow's milk

## WHAT?

*The European Community is welding into one economic unit six European nations :*

- BELGIUM
- FRANCE
- GERMANY
- ITALY
- LUXEMBOURG
- NETHERLANDS

The three parts of the European Community are :

The **European Coal and Steel Community** (ECSC), set up in 1952, paved the way by pooling the six nations' resources of coal, steel, iron ore and scrap in a single market without frontier barriers;

The **Common Market**, whose institutions were set up at the beginning of 1958, will gradually (over 12 to 15 years) pool these nations' other economic resources — in a mass market of 166 million consumers;

**Euratom**, set up at the beginning of 1958, will help to endow the Community with a powerful atomic industry pledged to the peaceful uses of nuclear energy.

## WITH WHOM?

*Specially associated with the European Community by the Common Market Treaty are those non-European countries and territories which have special relations with its member states. Most of these are situated on the African continent (see opposite page). The exceptions are :*

Netherlands New Guinea,  
St.Pierre and Miquelon,  
New Caledonia and dependencies,  
the French Settlements in Oceania,  
the Southern and Antarctic Territories.

**Total area : 4,733,200 square miles**

**Total population : 53 million**

## WHY?

- to end for ever the conflicts which had so long divided the nations of Western Europe
- to restore the weight and importance of Europe in world trade and world affairs
- to raise living standards and speed technical progress in an expanding economy
- to abolish the outdated trade barriers which split up Western Europe into small, protected markets
- to make possible large-scale operation in the increasing number of industries in which it is essential and above all in the field of atomic energy
- to make a special effort to help the less favoured areas of the Community and its partners overseas
- to set up the institutions which will form the bases for a future United States of Europe.

Over the 12 to 15-year transition period the Community countries will gradually abolish all tariff and quota restrictions on imports from the overseas countries and territories, which in turn will extend to the whole Community the preferential terms they now grant to any of its members.

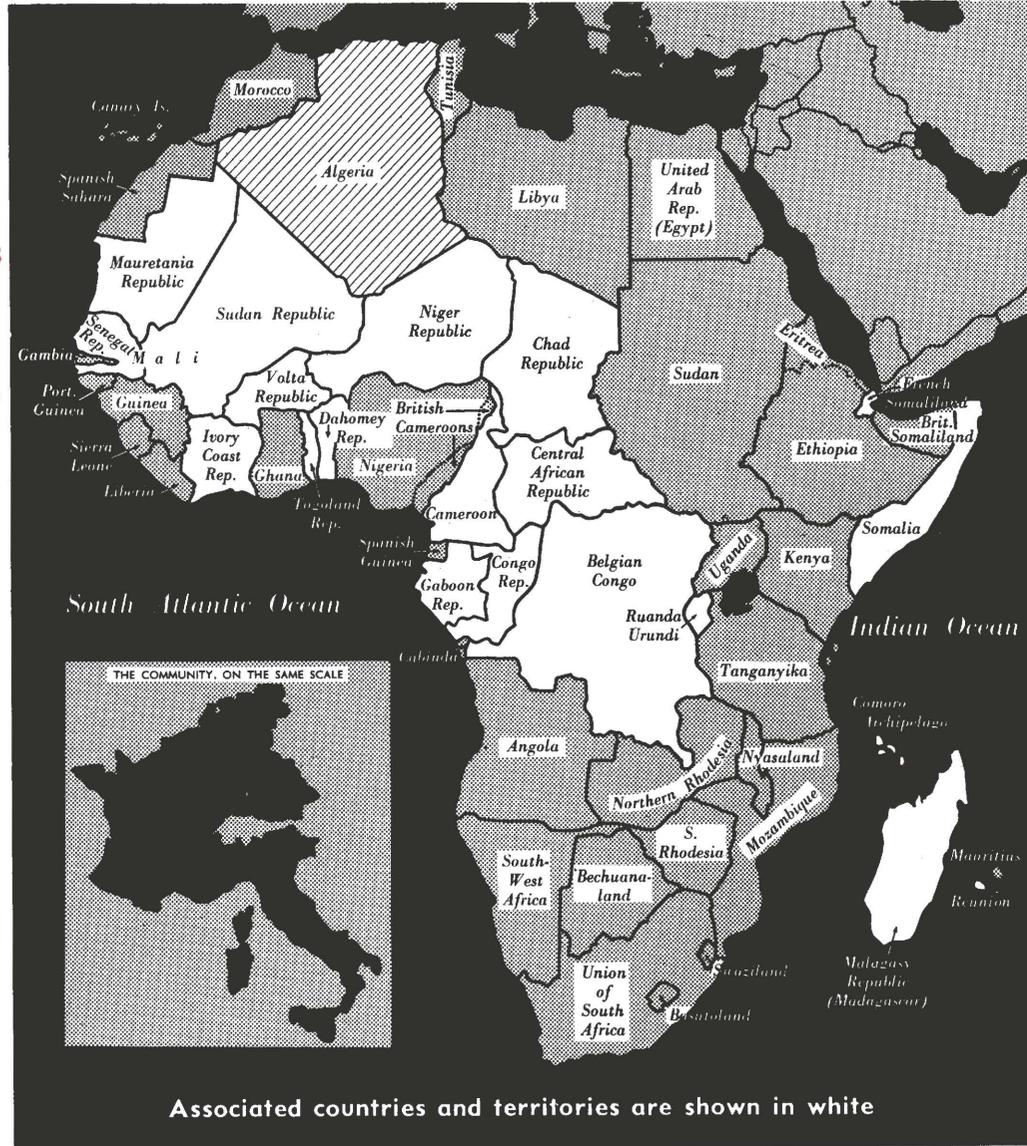
In addition, the Community has set up a special \$581.25-million **Development Fund** to help develop these countries and territories over the first five years. To this fund, Germany and France each contribute \$200 million, Belgium and Holland \$70 million each, Italy \$40 million and Luxembourg \$1.25 million. The fund is being allocated as follows to the countries and territories associated with the following Community nations : France \$511.25 million, Netherlands \$35 million, Belgium \$30 million, Italy \$5 million.

## ASSOCIATED COUNTRIES AND TERRITORIES IN AFRICA

### Main Products of the Associated Countries and Territories

	Production ('000 metric tons — average 1953/55)	Percentage of world production
Bananas . . . . .	347	3.1
Coffee . . . . .	214	8.1
Cocoa . . . . .	135	17.0
Ground-nuts . . . . .	1,201	11.0
Copra . . . . .	66	2.3
Palm oil . . . . .	346	27.8
Palmkernels . . . . .	237	27.4
Sisal . . . . .	14	2.6
Diamonds* (thou- sands of carats) . . . . .	12,900	64.2
Phosphates . . . . .	487	1.9
Copper (concentrates and metal) . . . . .	219	3.3
Manganese (ore and concentrates) . . . . .	355	3.8
Chrome (ore and concentrates) . . . . .	84	2.4

\*) including industrial diamonds



### The Associated Countries' Share in the Common Market

Percentage of the Community countries' imports of key commodities coming  
from the Associated Countries and Territories, 1958

	Bananas	Cocoa	Coffee	Ginned Cotton	Ground- nuts	Ground- nut Oil	Palm oil
Belgium-Luxembourg . . . . .	14.8	24.6	21.9	17.3	34.9	24.8	89.5
France . . . . .	46.5	84.9	78.7	17.6	99.2	99.8	99.5
Germany (F. R.) . . . . .	1.7	11.3	1.6	2.6	6.6	—	49.3
Italy . . . . .	99.0	5.9	17.6	0.2	3.1	3.5	48.6
Netherlands . . . . .	—	34.3	0.8	—	9.7	—	25.7

# THE INSTITUTIONS OF THE EUROPEAN COMMUNITY

**ECSC**

EUROPEAN COAL AND STEEL COMMUNITY

**COMMON MARKET**

EUROPEAN ECONOMIC COMMUNITY

**EURATOM**

EUROPEAN ATOMIC ENERGY COMMUNITY

## THE EXECUTIVES



Consultative Committee

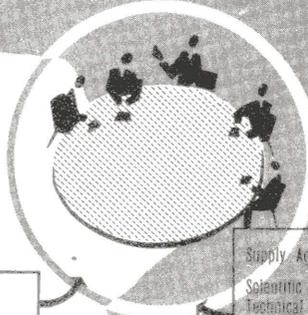
**HIGH AUTHORITY**

- European Investment Bank
- European Social Fund
- Overseas Development Fund
- Monetary Committee



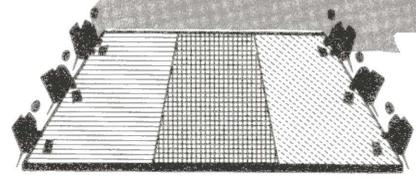
**COMMISSION**

Economic and Social Committee



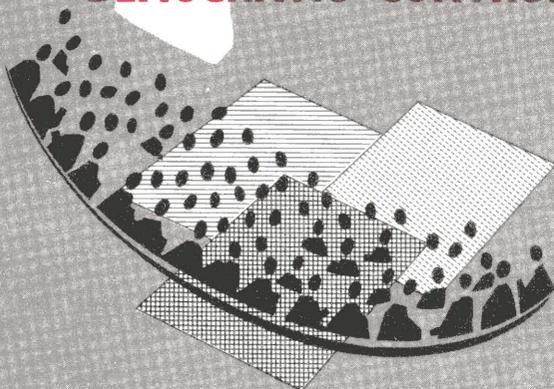
**COMMISSION**

- Supply Agency
- Scientific and Technical Committee
- Joint Nuclear Research center



**COUNCILS OF MINISTERS**

## DEMOCRATIC CONTROL



**EUROPEAN PARLIAMENT**

## JUDICIAL CONTROL



**COURT OF JUSTICE**

ECSC

COMMON MARKET

EURATOM

# INSTITUTIONS

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*The Coal-Steel Community (ECSC), the Common Market, and Euratom share the same institutional framework. Their separate executives, which are independent of governments and sectional interests, take their decisions by majority vote, in the general interests of the Community, and are subject to a common parliamentary and judicial control.*

## THE EXECUTIVES

**THE COAL-STEEL HIGH AUTHORITY** Nine members, whose decisions are directly binding on the industries concerned. The High Authority's task has been to establish and maintain a common market for coal, steel, iron ore and scrap, by abolishing all trade barriers, discriminations, subsidies and other distortions; to supervise the smooth working of this common market and ensure that the Treaty rules of fair competition are observed; to stimulate investment and research; and to aid workers threatened with unemployment.

**THE COMMON MARKET COMMISSION** Nine members, whose essential task is to supervise the gradual establishment of a full Common Market, in which trade restrictions of all kinds will be abolished and all goods, services, labour, and capital will circulate freely, and in which rules of fair competition are observed. Above and beyond that, the Commission must work out and implement common policies for agriculture, transport, and external trade, and work with the Council of Ministers towards common economic, monetary, and labour policies.

**THE EURATOM COMMISSION** Five members, who can in a number of cases issue directly binding regulations. The Commission's task is to help create within the Community a powerful industry for the peaceful use of atomic energy, to stimulate scientific research and the training of specialists, to help administer a Supply Agency through which all nuclear fuel will be channelled, to supervise the nuclear common market, to inspect and control the peaceful use of fissile material, and to safeguard both workers and the civil population by laying down basic standards for the protection of health.

**THE COUNCILS OF MINISTERS** The only Community institution whose members are national representatives. A member of each national Government sits in each Council, the actual Minister concerned depending on the subject under discussion. For coal and steel, the role of the Council of Ministers is chiefly limited to giving an opinion before the High Authority takes decisions : on certain fundamental questions, however, the approval of the Council is required before decisions become binding. For the Common Market and Euratom, the Councils of Ministers in most cases take the final decisions, but can only do so on proposal of the respective Commission, and only modify such proposals by unanimous vote. The Councils' decisions on coal and steel are mainly taken by majority voting; those for the Common Market and Euratom must usually be unanimous in the early stages but will be progressively replaced by majority voting. The task of the Councils of Ministers is to ensure coordination between the policies of the national Governments and those of the Community as a whole.

## THE EUROPEAN PARLIAMENT

A 142-man Community Parliament, whose members are at present elected by and from the legislatures of the member countries. Provision is made for direct universal suffrage in the future. The three Executives must report annually to the European Parliament, which can oust them by a motion of censure, voted by a two-thirds majority. For the Common Market and Euratom, the European Parliament must be consulted before certain specific decisions are taken, and it has a right to scrutinize the Community's budget. The Parliament holds frequent plenary sessions, and also maintains 13 standing committees which closely follow the Executives' work. Its members are divided into three political groups (Christian Democrats, Socialists, and Liberals) each of which sits together in the Chamber irrespective of nationality.

**THE COURT OF JUSTICE** A supreme court of seven judges having the sole power to decide whether the acts of the Executives and the Council of Ministers should be upheld or quashed. The Court's judgments have the supreme force of law throughout the Community and are directly binding on all parties, whether individuals, firms, national governments, or the Community's Executives themselves.

In addition to these Community institutions, a number of consultative bodies aid the Community's work. These are :

- The 101-man **Economic and Social Committee** which advises the Common Market and Euratom Executives and Councils of Ministers on behalf of employers, workers, consumers, and others;
- The 51-man **Consultative Committee** which has a similar rôle vis-à-vis the ECSC's High Authority;
- The **Monetary Committee** which advises the Common Market's Executive and Council of Ministers on monetary problems;
- The **Transport Committee** which advises the Common Market's Executive on transport problems;
- The **Scientific and Technical Committee** which advises the Euratom Commission on scientific and technical problems.

## *The Federal European Community*

### HOW IT DIFFERS FROM AN INTERNATIONAL ORGANIZATION

- 1 — The Community's Executives can act in many cases without obtaining the prior approval of the Governments of member states.
- 2 — The Councils of Ministers, the only institutions representing member governments, take many of their decisions by a majority vote which avoids the national veto.
- 3 — Community decisions are directly binding in the territory of member states without having to be embodied in national legislation or decrees.
- 4 — The ECSC's High Authority levies and collect its own tax on coal and steel production : the Common Market and Euratom may also in the future be directly financed.
- 5 — The High Authority's financial inspectors and the Euratom Commission's nuclear fuel inspectors have direct access to the company books of Community firms.
- 6 — The Community's Executives are responsible not to the national states but to the European Parliament.
- 7 — The judgments of the Court of Justice are final and binding on all parties within the Community, including the national governments, individuals, firms, and the Community Executives.
- 8 — The Community Executives, the Court, the European Parliament, and their staffs, are expressly prohibited from receiving instructions from national governments.

# The First Step — Coal and Steel

**The European Coal and Steel Community (ECSC)**, pilot plant for a united Europe, was set up in 1952. In its coal-steel common market it has eliminated trade restrictions across some 1,700 miles of land frontier within the six-nation area.

*It has abolished for coal, steel, iron ore, and scrap*

- customs duties;
- quantitative restrictions;
- the dual-pricing system, whereby prices charged on exported coal or steel differed from those charged to home consumers;
- currency restrictions;
- discriminations in transport rates based on the nationality of customers, and the special frontier charges which made international transport of these goods within the Community dearer than national transport.

*It has applied*

- rules of fair competition, and
- a harmonized external tariff for the whole Community.

## Production

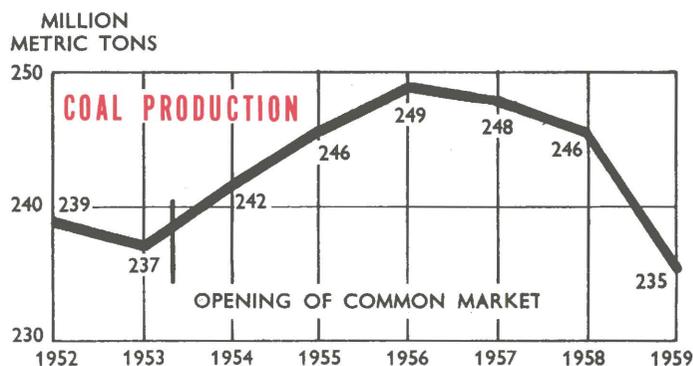
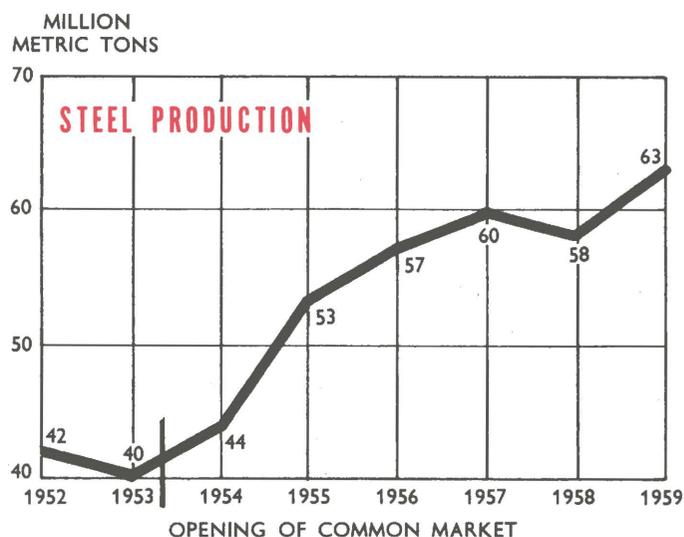
### ● Steel Output Soars

Since the start of the Common Market for coal and steel, the Community has been passing through a period of major economic expansion, with only two minor recessions (in 1953-54 and 1958-59). In these conditions, steel output expanded at an unprecedented rate—by 50 %, from 42 million metric tons in 1952 to 63 million in 1959, and is currently at an annual rate of 70 million tons.

The action of the High Authority and the operation of the Common Market aided this development by facilitating scrap imports, easing distribution arrangements for coal in the boom, encouraging new sources of iron-ore supply, providing new markets, and stimulating competition.

### ● Reorganization for Coal

The coal industry, however, after expanding initially in conditions of acute energy shortage, found that a growing share of the energy market was being won by oil. The true dimensions of the oil revolution only became apparent in the 1958-59 slackening of activity. In the coming years, the High Authority's task will be to ensure the orderly retreat of coal at a pace which precludes social or economic dislocation. The remainder of the industry must be regrouped and reorganized so as to remain fully competitive with other forms of energy in the long run. The speedy and painless re-employment of the 100,000-150,000 miners who will be displaced will be aided by an amendment to the ECSC Treaty, agreed on by the High Authority and the Council of Ministers in January 1960, giving the High



Authority wide powers to apply readaptation measures (see below) throughout the 50-year duration of the Treaty. Extensive plans for the reorganization of the Belgian coal industry, under the full supranational control of the High Authority, were announced in December 1959.

### Towards a Coordinated Energy Policy

Experience so far has shown clearly that the coal problem cannot be solved except as part of a general Community policy for energy, including oil, gas, atomic power, etc. To provide this framework and to ensure a sound base for the Community's future economic expansion, the High Authority, together with the other two Community executives, is drawing up proposals for coordination of policy for all forms of energy.

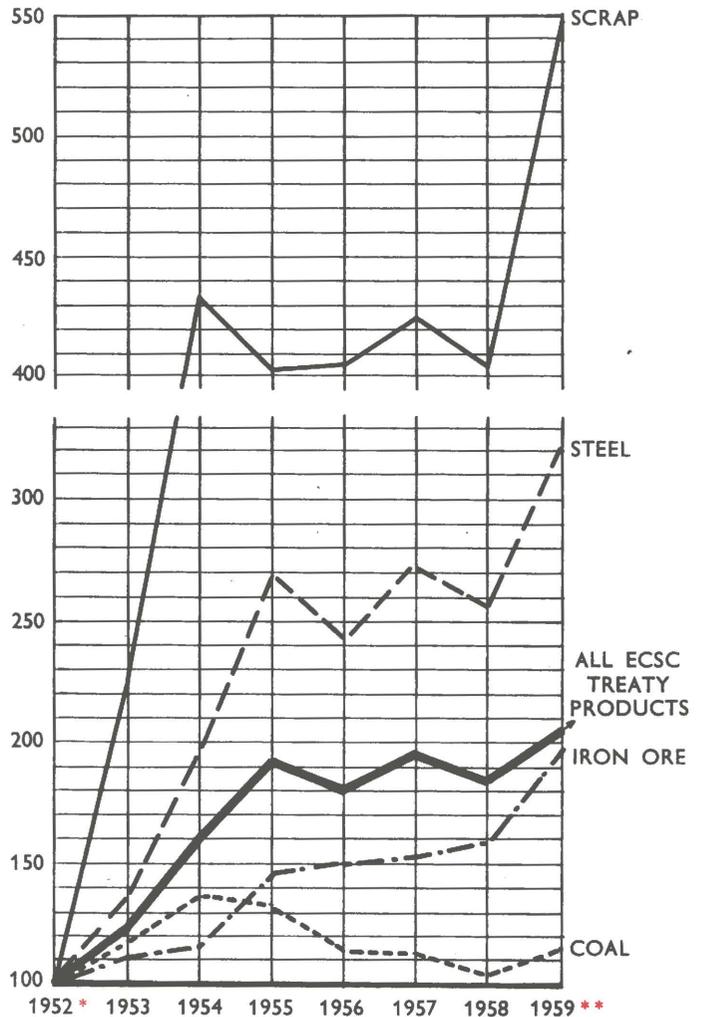
### Increased Trade

Trade in ECSC Treaty products across national frontiers within the Community expanded sharply for all products except coal.

- \* Actual volume figures for 1952 were (in metric tons) :
  - coal 19.6 million
  - steel 2.1 million
  - iron ore 9.4 million
  - scrap 0.4 million
- \*\* Provisional figure for coal; estimate, on basis of first nine months for steel and iron ore, and on basis of first six months for scrap and for " all ECSC Treaty products ".

### INTRA-COMMUNITY TRADE

Volume indices : 1952 = 100



### Investment and Industrial Research

The High Authority guides investment by publishing General Objectives, which outline the output likely to be required in coming years and the steps needed to ensure this output. It can aid projects in line with the General Objectives by re-lending the proceeds of loans which it raises on favourable terms.

Spurred by increased competition in the common market, investment expenditure in the ECSC industries in 1957 was 21 % higher, and in 1958 13 % higher, than the annual average for 1952-56 (34 % and 19 % higher in the steel industry alone). Directly and indirectly, the High Authority has aided investments with funds totalling \$360 million, which have enabled well over \$1,000 million of investment to be carried out. The High Authority coordinates and stimulates technical research, for which it has so far allocated \$25 million.

### Finance

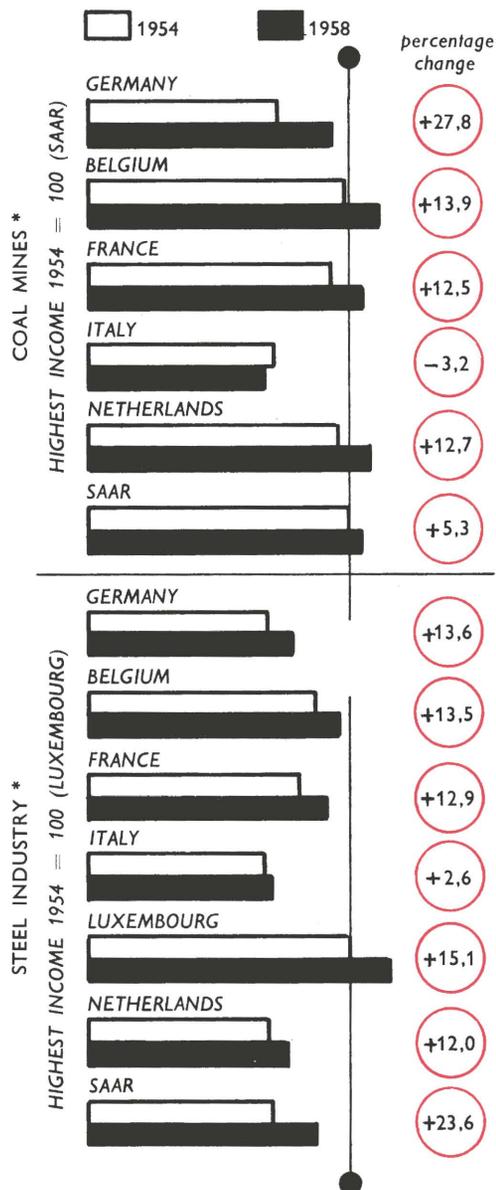
The operations of the ECSC are financed by a direct levy on the value of coal and steel production, which gives the High Authority full financial independence. The levy, at present standing at 0.35 %, is raised on a global output now valued at some \$8,000 million annually.

The power to raise its own tax, together with a Guaranty Fund of \$100 million, constitute the High Authority's credit standing.

## Better Labour Conditions

In the ECSC, labour has benefited from **higher real incomes, improved housing, greater freedom to move** within the Community, and special guarantees against unemployment.

### Real incomes



\* These figures are for married workers with two children.

### Housing



Five programs comprising 60,000 homes

45,159 financed  
38,000 completed  
7,000 building  
15,000 planned

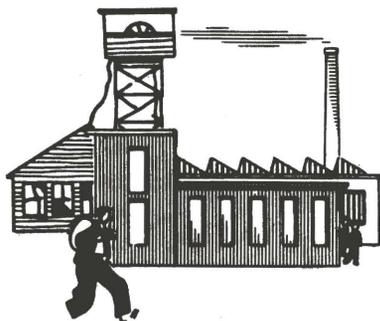
### Freedom to move

First European labour card issued September 1, 1957.

Agreement on Social Security for Migrant Workers, December 7, 1957.



### “Readaptation” (Resettlement and retraining)



From 1953 to February 10, 1960, the High Authority approved readaptation projects involving 110,000 workers — 92,000 of them in the coal industry — and expenditure of \$43 million. The governments concerned must contribute an equivalent sum. Readaptation eased the consequences of increased competition in the common market, and now ensures that the

brunt of structural and technical change is not borne by the workers. It is playing a major part in the reorganization of the coal industry.

#### Readaptation provides :

- tide-over allowances between jobs (maximum one year; 90-100 % of previous earnings for first four months)
- making up of pay in the new job to 100 % of old wage (for up to one year)
- payment of removal and transfer costs
- free training for a new job.

## Health, Safety, Social Surveys

The High Authority has so far allocated \$8 million for research into industrial medicine and safety. Work on such problems as silicosis, pneumoconiosis, industrial noise, and rehabilitation after accidents has been coordinated throughout the Community and stimulated where necessary. The High Authority has also carried out surveys of real wages, household budgets, employment, labour mobility, and housing conditions, which have provided the first Community-wide comparative data on which trade unions and employers can base their studies and claims.

# Towards Full Economic Union

## A Common Market for All Goods

The institutions of the **Common Market** (official title : the **European Economic Community**) were set up in 1958 to apply to the economy as a whole over a longer transition period (12-15 years) the principles which had proved their worth in the ECSC. They have thus undertaken the gigantic task of unifying the economies of the six countries and abolishing trade barriers across the 1,700 miles of the Community's internal frontiers.

## Removing Trade Barriers

Internal customs barriers and quota restrictions will be eliminated in three stages of four years each (see timetable). This transition period can be prolonged in any of its three stages, but it must not last more than 15 years. Discussions are under way for it to be speeded up. Bilateral import quotas — granted to one Community country from another — became global quotas, open to all other Community countries, on January 1, 1959.

## A Common External Tariff

By the end of the transition period (see timetable) the Community will have replaced its members' existing tariffs on imports from the rest of the world by a single external tariff, the greater part of whose rates were published on February 13, 1960. Except for goods on which the governments agreed to fix the common tariff through negotiation among themselves (List G), the Community's external tariff levels are based on the arithmetical average of the national tariffs in force on January 1, 1957. The average incidence of the List G tariffs is lower than the average of the national tariffs on the products concerned.

## Free Circulation

### — of Labour

Workers will be able to move freely to take up jobs anywhere in the Community by the end of the transition period. The labour and employment organizations of member states will exchange information about available jobs. The Council of Ministers has already approved the application to all workers of a convention on social security for migrant workers, similar to that first applied to coal and steel workers. This enables migrant workers to retain their benefit rights wherever they may be working.

### — of Capital

Restrictions on the movement of capital held by residents of the six nations will be progressively removed during the transition period, while current payments related to capital movements will be free from all restrictions by the end of the first stage. But if capital movements disturb the economies of member states, governments may take defensive measures, subject to authorization by the Commission and approval by the Council of Ministers.

### — of Services

By 1961 measures must be brought into force to ensure, by the end of the transition period, the right of establishment (for firms, branches, agencies, or individuals) and freedom to supply services such as insurance, banking, and distribution, anywhere in the Community,

# COMMON MARKET

## COMMON MARKET TIMETABLE \*

### How Trade Barriers Are Being Removed

DATE	INTERNAL TARIFF CUTS		QUOTA ENLARGEMENTS		
	Total	Minimum for each product	NORMAL QUOTAS		SMALL QUOTAS
			Total	Minimum for each product	
<b>Stage 1</b>					
1958	—	—	—	—	—
1959 Jan. 1	(By 10 %)	By 10 %	By 20 % (All bilateral quotas)	By 10 %	To 3 % of production become global)
1960 Jan. 1	—	—	By 20 %	By 10 %	To 4 % of production
Jul. 1	By 10 %	By 5 %	—	—	—
1961 Jan. 1	—	—	By 20 %	By 10 %	To 5 % of production
Dec. 31	By 10 %	By 5 %	—	—	—

**By end of Stage 1 :** Total internal tariff cuts on each product must be at least 25 %; export duties and export quotas must be abolished within the Community. The common external tariff must be applied on those products where the previous national duty was no more than 15 % higher or lower than the common tariff : in other cases the difference must be reduced by 30 %. This Stage may be prolonged if the Council does not unanimously decide to end it.

<b>Stage 2</b>					
1962 Jan. 1	—	—	By 20 %	By 10 %	By 15 %
1963 Jan. 1	—	—	By 20 %	By 10 %	By 15 %
Jul. 1	By 10 %	By 5 %	—	—	—
1964 Jan. 1	—	—	By 20 %	By 10 %	By 15 %
Dec. 31	By 10 %	By 5 %	—	—	—
1965 Jan. 1	—	—	By 20 %	By 10 %	By 15 %
Dec. 31	By 10 %	By 5 %	—	—	—

**By end of Stage 2 :** Total internal tariff cuts on each product must be at least 50 %; the difference between remaining national tariffs and the common external tariff must be cut by a further 30 %. This Stage may only be prolonged by unanimous vote of the Council.

<b>Stage 3</b>					
1966 Jan. 1	Acting on the Commission's proposal, the Council fixes the rate of remaining internal tariff cuts during Stage 3.		By 20 %	By 10 %	By 15 %
1967 Jan. 1			By 20 %	By 10 %	By 15 %
Dec. 31			(All quotas must be at least 20 % of production)		
1968 Jan. 1			By 20 %	By 10 %	By 15 %
1969 Jan. 1			By 20 %	By 10 %	By 15 %
Dec. 31	<b>TO ZERO</b>	<b>TO ZERO</b>	<b>ABOLITION OF QUOTA RESTRICTIONS</b>		

**By end of Stage 3 :** All internal tariffs and quotas, and restrictions on the free movement of men, services, and capital to be removed. The common external tariff to be applied. This Stage may only be prolonged by unanimous vote of the Council : the total transition period may not be prolonged by more than three years.

\* This timetable, based on the Common Market Treaty, takes no account of current proposals for the acceleration of the transition period.

## *More Than a Customs Union*

But the Common Market is not just an advanced form of customs union. The Common Market Treaty also stipulates that common rules be applied to ensure fair competition, and that common policies be worked out and applied for agriculture, transport and trade policy. For labour policy, investments and overseas territories, special agencies and funds have been set up.

### **Rules for Fair Competition**

The Common Market Treaty bans agreements or concerted practices which prevent, restrain, or distort competition, and in particular price-fixing, market-sharing, restriction of production or of technical development, and discriminatory supply conditions, if they are likely to affect trade between the member states. Agreements contributing to better production or distribution, or to technical progress, may however be authorized. The abuse of a dominant position in the market by a firm or firms is also banned. In addition, all state subsidies are forbidden, although special aid for underdeveloped areas and important projects of Community interest may be permitted.

### **Common Policies**

#### **— Agriculture**

The Commission in December 1959 submitted to the Council of Ministers its detailed proposals for a common policy for agriculture, to be applied in six years except for beef and wine. They involve setting up special Bureaux for grains, milk and sugar; coordination of markets for meat, poultry and eggs; obligatory quality control and standards for fruit, vegetables and wine; and the setting up of a European Agricultural Fund. The proposals were based on guiding lines laid down by the Community agricultural conference which met in Siresa in July 1958.

Under the terms of the Treaty, the organization for agricultural markets must be set up by the end of the transition period. Until then the development of trade in agricultural products may be encouraged by the conclusion of long-term contracts.

#### **— Transport**

Common rules for international transport within the Community are being laid down during the transition period. Rate discriminations on grounds of the origin or destination of goods must be abolished by the end of the second stage, and the Commission has already made proposals for doing so.

#### **— Foreign Trade**

On external trade, the Commission must present proposals to achieve a common policy by the end of the transition period. Thereafter, tariff negotiations, trade agreements, liberalization, export policy and protection against dumping or subsidies will be handled by the Commission on instructions from the Council of Ministers. The Treaty declares the member states' intention to aid the development of world trade, the progressive abolition of restrictions, and the lowering of customs barriers.

## Economic and Financial Policy

The Treaty binds the member states to consider their economic policy as a matter of common interest, and to consult regularly on joint action in this field. Exchange rate policy will also be considered as a matter of common interest, and a **Monetary Committee** has been set up to help coordinate monetary policy. When grave balance-of-payments difficulties threaten a member state, the Commission will recommend appropriate measures and, if necessary, the granting of mutual aid. In a sudden balance-of-payments crisis, a Government can apply immediate provisional safeguards, but these require subsequent approval by the Council of Ministers.

## Labour Policy

The Treaty's major provision in the field of labour policy is the setting up of a Social Fund for readaptation of workers (see below). The Commission seeks to promote cooperation on subjects relating to employment, labour legislation and working conditions, vocational training, social security, industrial health and safety and trade union rights. The principle of equal pay for men and women will be adopted by the end of the first stage.

## Community Task Forces

For three vital tasks, special agencies have been set up :

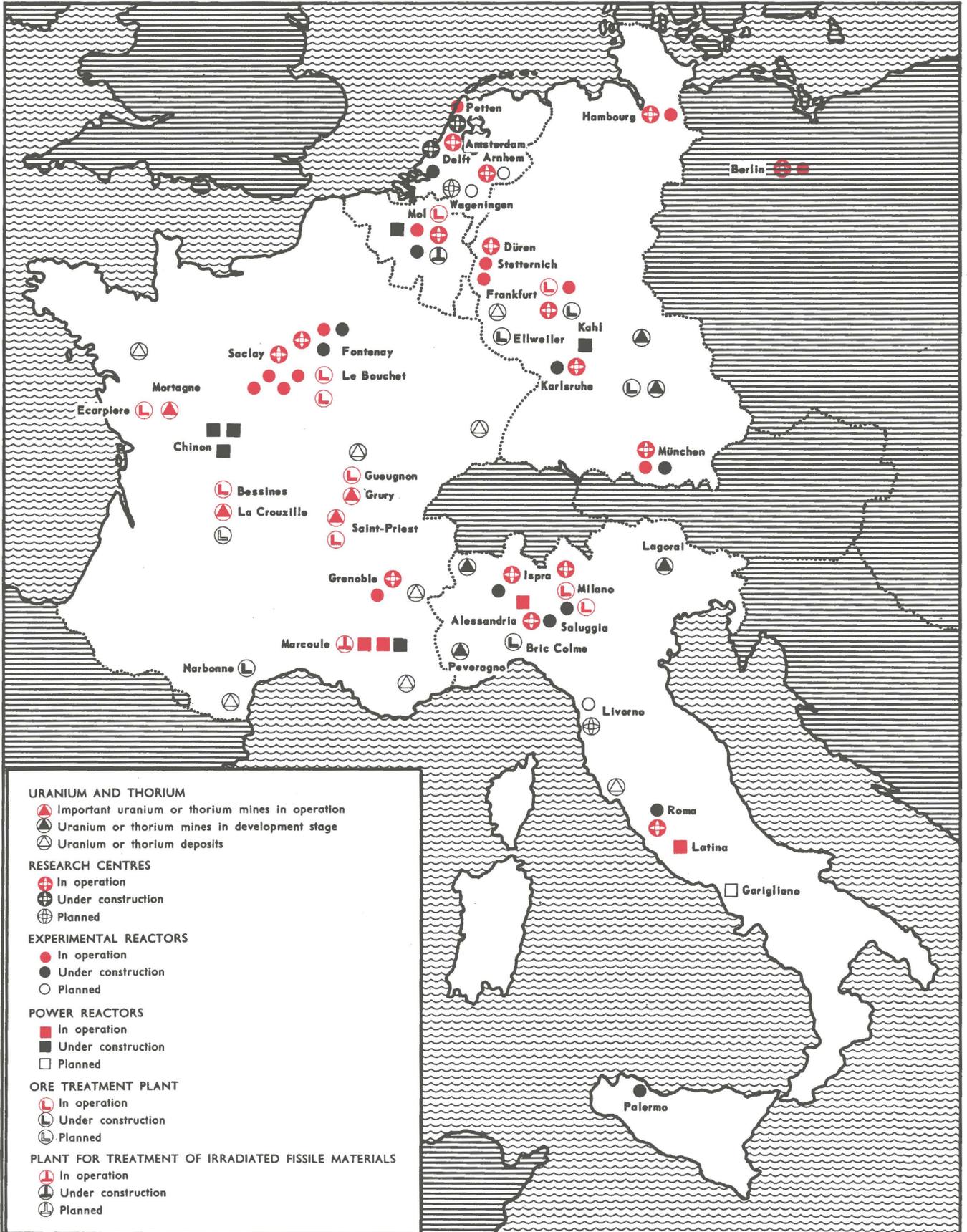
- **The European Social Fund**, attached to the Commission, will promote employment facilities and the mobility of workers within the Community. In particular, like the coal-steel readaptation fund, it will, by means of vocational retraining, resettlement and other aids, assist in the productive re-employment of workers who have to move or change their jobs.
- **The Overseas Countries and Territories Development Fund**, also administered by the Commission, has a capital of \$581.25 million, which is being used for social and economic investment in the overseas countries and territories associated with the Community. It concentrates on hospitals, schools, and training institutes, as well as specific development projects and production programmes. By the end of February, 1960, 64 investment projects had been approved, at a total cost of \$42.8 million.
- **The European Investment Bank**, with a capital of \$1,000 million, aids investments in the Community's underdeveloped regions, and helps finance modernization or new activities of general Community interest. Its first loans were announced in April 1959.

## How it is financed

The operation of the Common Market is at present financed by the member governments in the following proportions : France, Germany, and Italy 28 units each, Belgium and the Netherlands 7.9 units each, Luxembourg 0.2 units. The Commission is, however, in due course to submit proposals for replacement of the governments' contribution by independent resources — in particular the revenue from the common customs tariff.

# EURATOM

## MAJOR ATOMIC INSTALLATIONS AND ORE DEPOSITS



# The Community and Atomic Energy

## A European Nuclear Industry

**Euratom**, the European Atomic Energy Community, was set up in 1958 to help develop a peaceful nuclear industry in Europe, and thereby to raise living standards, which are closely linked to the level of energy consumption.

## Rising Energy Needs

Electricity consumption in Western Europe doubles every ten years. In 1958, the six Community countries produced 225,100 million kilowatt-hours—roughly the same as the Soviet Union, whose output is rising even more rapidly, and less than one-third of what the United States produces for a population little larger than that of the Community. On present estimates, the Community will by 1980 need about four times this amount of energy, one-quarter of which is likely to come from nuclear sources. Hence by 1980 the Community may have to produce roughly as much electricity by nuclear means as it now produces by conventional means.

## Research, Training, and Technical Knowledge

Euratom is pledged to promote the essential research and training, and the diffusion of technical knowledge, that the atomic industry demands. In addition to research contracts for specific projects, it is setting up a Community nuclear research centre and a university-level training centre, and is currently spending \$215 million over a period of 5 years on the first of its own research programmes. It will also coordinate existing research, and can promote research by contributing finance, equipment, or nuclear supplies. The Community will make patents available to those who wish, and are able, to use them. It will do this either by amicable arrangement or, failing this, compulsorily, subject to the necessary guarantees.

## Investments and Joint Enterprises

The Euratom Commission publishes periodical production and investment targets for the guidance of Community firms. Nuclear investment projects are submitted to the Commission three months in advance: the Commission discusses them with the firm and transmits its opinion to the member government concerned. The Community may also set up enterprises which will enjoy special advantages, including financial aid, for tasks of outstanding importance requiring exceptional expenditure.

## The Nuclear Common Market

From January 1, 1959, Euratom has maintained a common market in nuclear materials, with a low common tariff towards non-member countries. Within the nuclear common market, Euratom will ensure the free movement of specialized workers, and will facilitate both the movement of capital for nuclear investments and insurance against atomic risks. It is also setting up a commercial Supply Agency to ensure fair and equitable access to ores, and to raw and processed fissile material. The Agency's role will for the present be limited to that of a broker.

## Health Protection

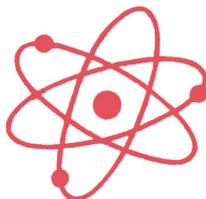
To safeguard both nuclear workers and the general population, Euratom has laid down Basic Standards for health protection which must shortly be incorporated into the laws of the Community's member states. These Basic Standards, which are the most up-to-date and comprehensive in the world, are subject to continuous revision in the light of scientific advance. In addition, the Commission maintains a constant check on the level of radioactivity in the atmosphere, water, and soil, on the basis of data regularly supplied by the six countries' control posts.

## Inspection and Control

Euratom is pledged to ensure that ores, raw materials and fissile material are not diverted from their intended use. Individual firms and utilities must submit to the Commission the details of their stocks, transfers, and transactions: the Commission then checks these data, and is for this purpose setting up a full system of on-the-spot inspection. Any firm or utility breaking these regulations is subject to sanctions. Nuclear materials needed for defence are not subject to Euratom's inspection, but the scale of nuclear production for military purposes will be known to the Commission since the intended use of all nuclear materials must be declared. Special fissile materials (such as plutonium or uranium 233) intended for peaceful purposes will be the exclusive property of Euratom, which will make them available to firms and member states.

## Finance

The financing of the research, investment, and supply budgets, as well as the operational expenses of Euratom, are currently met by the Community's member states, contributing in the same proportions as to the Common Market. But the Commission, which draws up Euratom's budget, must in due course propose a means of replacing these contributions by a Community tax.



## The Community and the World

***To achieve unity, the member states of the European Community have surrendered part of their sovereignty and adopted common institutions, common policies, and common rules. The Community remains open to any country willing and able to join it. But it recognizes that for various reasons some countries are unable to do so; and with them it seeks the closest possible cooperation.***

*Any European State may request to accede to this Treaty.*

*(Coal-Steel Community Treaty,  
Article 98)*

*The Institutions of the Community shall.... foster the development of international trade and ensure that equitable limits are observed in prices charged in foreign markets.*

*(Coal-Steel Community Treaty,  
Article 3)*

*Any European State may apply to become a member of the Community.*

*(Common Market Treaty, Art. 237)*

*Member States hereby declare their willingness to contribute to the development of international commerce and the reduction of barriers to trade by entering into reciprocal and mutually advantageous arrangements directed to the reduction of customs duties below the general level which they could claim as a result of the establishment of a customs union between themselves.*

*(Common Market Treaty, Art. 18)*

*Any European State may apply to become a member of the Community.*

*(Euratom Treaty, Article 205)*

*The Community shall.... establish with other countries and with international organizations any contacts likely to promote progress in the peaceful uses of nuclear energy.*

*(Euratom Treaty, Article 2)*

### The Coal-Steel Community

**Association with Great Britain** — The Community and the United Kingdom signed on December 21, 1954 an Agreement of Association providing for continuous top-level consultation. A Council of Association composed of United Kingdom and High Authority representatives meets regularly throughout the year. Its task is to lower trade barriers, promote joint consultation and co-ordinate action, particularly on long-term development and in times of slump or boom. Its major achievement to date is an agreement with Great Britain, to reduce steel tariffs, signed on November 25, 1957.

**Consultation and Rail Transport Agreements** — The High Authority and the Swiss Federal Council signed an Agreement of Consultation on May 27, 1956. The Agreement set up a permanent Joint Committee, which first met on February 8, 1957. On July 28, 1956, the High Authority signed a rail agreement with Switzerland extending to Community coal and steel in transit through Switzerland the direct international through rates in force on Community territory. A similar agreement with Austria was signed on July 26, 1957.

### The Common Market

**Discussions in GATT** — The Common Market Treaty was submitted to the Contracting Parties of the General Agreement on Tariffs and Trade (GATT) on April 17, 1957. The Common Market Commission has since held continuing discussions with GATT Members, to whom it has submitted a number of explanatory papers, and with whom it hopes to negotiate mutual tariff reductions in the future.

In May 1959, the Community announced its acceptance of the proposals made by US Under-Secretary of State Douglas Dillon for the negotiation in GATT during 1960-61 of reciprocal tariff reductions of up to 20%. In November 1959, the Community proposed that these be followed by fresh negotiations aiming at further substantial tariff cuts.

**The Common Market and Its Neighbours** — The Council of the Organization for European Economic Cooperation (OEEC) on February 14, 1957, decided to open negotiations for a Free Trade Area (similar to a customs union but lacking a common external tariff), to associate other OEEC members

with the Common Market. These talks were suspended on November 17, 1958.

The Community subsequently decided on substantial concessions to its trading partners to cushion any economic difficulties which they might encounter following the first reductions of trade barriers within the Community.

The concessions would extend to all members of GATT the major part of the tariff cuts and quota enlargements made within the Community up to and including July 1, 1960. The Community also proposed the establishment of a Contact Committee to discuss specific difficulties with its European partners, and consultation with Britain, Canada and the US on coordination of economic policies and aid to countries in process of development.

### Atlantic Cooperation

Following signature of a convention for a European Free Trade Association (EFTA) on November 20, 1959, between Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom, and talks by US Under-Secretary of State Douglas Dillon with West European statesmen in December, a special economic committee \* met in Paris from January 12 to 14, 1960. It decided :

- 1) to appoint four officials to report on the reorganization of the OEEC, with the US and Canada participating as full members in the new organization; the report was due to be examined by senior officials of the 20 governments \*\* and representatives of the European Communities in April 1960.
- 2) to hold meetings of 8 nations (Belgium, Canada, France, Germany, Italy, Portugal, the United Kingdom and the US) and the Common Market Commission in order to discuss cooperation on aid to underdeveloped areas;
- 3) to propose to the 20 governments that, together with the Common Market Commission, they constitute themselves a Committee to discuss trade problems of particular concern to OEEC member countries and, as a matter of priority, the relationship between the Common Market and the EFTA, bearing in mind the

\* composed of representatives of the Governments of Belgium, Canada, Denmark, France, Germany, Greece, Italy, Netherlands, Portugal, Sweden, Switzerland, UK, US, and of the European Economic Commission.

\*\* the Governments of the 18 member-countries of the OEEC, and of the US and Canada.

interests of other countries and their obligations in GATT, which would also participate.

The European Community executives were thus called on to take part directly in all these tasks, and the US and Canada for the first time were brought fully into the debates on the rapidly changing European economic picture.

### Towards Association

On June 8, 1959, and July 31, 1959, the Greek and Turkish Governments respectively announced their wish to be associated with the Common Market. The Community's Council of Ministers replied favourably, and talks are now in progress to work out the details of association.

The Community has moreover declared its readiness to negotiate special agreements with countries that have close economic links with member states—e.g. Lybia, Surinam, and the Dutch Antilles, and countries of the franc zone such as Morocco and Tunisia—as well as with Somaliland, after the expiry of Italian Trusteeship. Similar agreements might also be negotiated with other countries, such as Guinea, which achieve independence.

## Euratom

### Agreements with US, UK and Canada

The United States Government and Euratom on November 8, 1958, signed an Agreement for Nuclear Cooperation involving a \$350-million, 1,000-megawatt joint power program and a \$100-million joint research and development program.

A Nuclear Cooperation Agreement with the United Kingdom covering exchange of information and training, and reactor and fuel supplies, was signed on February 4, 1959.

Cooperation agreements with Canada, covering a 5-year, \$10-million research and development program, were signed on October 6, 1959.

In the European Nuclear Energy Agency of OEEC, Euratom is participating in the Norwegian heavy-water reactor at Halden, and also in the Dragon high-temperature, gas-cooled experimental reactor at Winfrith Heath, England, to which it is contributing £4.3 million.

## Missions and Delegations

### — Accredited to the Community

WHEN ACCREDITED

		<i>ECSC</i>	<i>Common Market</i>	<i>Euratom</i>
United Kingdom		September 1, 1952	December 15, 1959	October 1, 1958
United States		September 2, 1952	February 3, 1958	February 28, 1958
Sweden		December 10, 1952	December 15, 1959	October 8, 1959
Norway		March 27, 1953	December 17, 1959	September 22, 1959
Switzerland		April 1, 1953	December 15, 1959	November 19, 1958
Denmark		April 17, 1953	April 30, 1959	October 30, 1959
Austria		May 19, 1953	—	—
Japan		October 20, 1954	October 19, 1959	—
Greece		February 25, 1958	October 18, 1958	—
Portugal		May 8, 1959	—	—
Israel		—	January 30, 1959	July 27, 1959
Ireland		—	December 17, 1959	—

### — Accredited by the Community

The ECSC High Authority has maintained a Delegation in London, accredited to the United Kingdom Government, since April 17, 1956. The ECSC, Common Market, and Euratom Executives in February 1960 decided to set up joint missions in London and Washington.

## A BRIEF CHRONOLOGY

<b>1946</b>	September 19	Winston Churchill, in Zurich, urges Franco-German reconciliation within “ a kind of United States of Europe ”.
<b>1947</b>	June 7	General Marshall proposes American aid to stimulate recovery in Europe.
	October 29	Creation of Benelux—economic union of Belgium, Luxembourg and the Netherlands.
<b>1948</b>	April 16	Signature of the Convention for European Economic Cooperation — the birth of OEEC.
<b>1949</b>	May 5	Signature of the Statute of the Council of Europe.
<b>1950</b>	May 9	Robert Schuman makes his historic statement proposing that French and German coal and steel be pooled under a common Authority.
<b>1951</b>	April 18	The Treaty setting up the European Coal and Steel Community (ECSC) is signed in Paris.
<b>1952</b>	August 10	The ECSC’s High Authority starts work in Luxembourg under its first president Jean Monnet.
	September 10	The ECSC’s Common Assembly holds its first session in Strasbourg, and elects Paul-Henri Spaak as its first president.
<b>1953</b>	February 10	The ECSC’s common market for coal, iron ore, and scrap is opened.
	May 1	Opening of the ECSC common market for steel.
<b>1954</b>	August 1	Opening of the ECSC common market for special steels.
	December 21	An Agreement of Association between United Kingdom and the ECSC is signed in London.
<b>1955</b>	June 1-3	Messina Conference : the Foreign Ministers of the Community’s member states propose further steps towards full integration in Europe.
<b>1956</b>	May 7	Consultation Agreement signed between the Coal and Steel Community and Switzerland.
<b>1957</b>	March 25	Signature of the Rome Treaties setting up the Common Market and Euratom.
<b>1958</b>	January 1	The Rome Treaties come into force; the Common Market and Euratom are set up.
	January 14	First meeting between the Presidents of the High Authority and the Common Market and Euratom Commissions.
	February 9	ECSC transition period ends—full operation of common market for coal and steel.
	March 19-21	First session of the European Parliament — Robert Schuman elected president.
	November 8	Cooperation Agreement signed between the United States and Euratom.
<b>1959</b>	January 1	First tariff reductions and quota enlargements in the Common Market. Establishment of common market for nuclear materials.
	February 4	Cooperation Agreement signed between the United Kingdom and Euratom.
	February 20	Common Market Commission approves first projects of Overseas Countries’ and Territories’ Development Fund.
	March 18	European Investment Bank announces first loans.

## HISTORY

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<b>1959</b>	July 25	Community agrees to negotiate on Greek proposal for association with Common Market.
	September 11	Community agrees to negotiate on Turkish proposal for association with Common Market.
	October 6	Euratom signs Cooperation Agreements with Canada.
<b>1960</b>	January 12-14	Special economic committee including Common Market representatives meets in Paris to discuss new bases for Atlantic Cooperation and aid to underdeveloped countries.

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### **FOR FURTHER INFORMATION**

The European Community maintains its own official Information Offices at the following addresses :

#### **BELGIUM :**

Common Market Headquarters,  
23, Avenue de la Joyeuse Entrée, BRUSSELS — Tel. : 35.00.40

Euratom Headquarters,  
51-53, Rue Belliard, BRUSSELS — Tel. : 13.40.90

#### **FRANCE :**

Bureau d'Information des Communautés Européennes,  
61, rue des Belles Feuilles, PARIS (16<sup>e</sup>) — Tel. : KLÉber 53.26

#### **GERMANY (F. R.) :**

Presse und Informationstelle der Europäischen Gemeinschaften,  
BONN, Zitelfmannstrasse 11 — Tel. : 26041

#### **ITALY :**

Ufficio Stampa e Informazione delle Comunità Europee,  
Via Poli 29, ROME — Tel. : 670.696/688.182

#### **LUXEMBOURG :**

Coal and Steel Community Headquarters,  
18, Rue Aldringer, LUXEMBOURG — Tel. : 292.41

#### **NETHERLANDS :**

Voorlichtingsdienst van de Europese Gemeenschappen,  
Mauritskade 39, THE HAGUE — Tel. : 184815

#### **UNITED KINGDOM :**

The Press and Information Office, Delegation in the U. K. of the High Authority, European Coal and Steel Community,  
23, Chesham Street, LONDON S. W. 1 — Tel. : SLOane 0456/0457/0458.

#### **UNITED STATES :**

European Community Information Service,  
236, Southern Building, WASHINGTON 5, D. C. — Tel. : NAtional 8-5070.

