

# Bulletin from the EUROPEAN COMMUNITY

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## SUMMING UP 1962: YEAR OF ACHIEVEMENT

THE EUROPEAN COMMUNITY made substantial progress toward full economic union in 1962.

The year saw the birth, successful if not painless, of the common agricultural policy; the transition to the Common Market's second stage; and the drafting of an "action program" for that stage. While the customs union continued to move rapidly toward full achievement, common policies took shape over a wide field.

In the Coal and Steel Community, for which 1962 was a tenth anniversary, the establishment of "General Objectives for Steel" by the High Authority provided the industry with valuable guidance for its future planning. High Authority assistance for redevelopment in areas affected by pit closures began to take on sizable proportions.

The adoption of Euratom's second five-year research program, with an increased budget, indicated the increasing momentum of the Community's drive to develop the peaceful uses of atomic energy.

### Common Market

- Into Stage Two: Action Program outlined
- Negotiations for a wider community
- Common agricultural policy in force
- Customs union timetable speeded up
- Common policies taking shape in fair competition, foreign trade, transport, taxes
- Toward free movement for men, firms, capital
- New terms of partnership with African associates
- Greece associated with Community

On January 14, 1962, the Council of Ministers agreed unanimously that the Community's main objectives for the first stage of the Common Market, as laid down in the Rome Treaty, had been reached, and 1962 thus became the first year of the second stage.

This decision had been made possible by agreement on a common agricultural policy between the six member countries—an event of historic importance for the Community.

The year was also notable for the Common Market Commission's publication of a wide-ranging action program for the second stage, including its proposal to accelerate the Common Market timetable to make the customs union complete by the beginning of 1967, instead of 1970 as originally envisaged in the Rome Treaty. Meanwhile, on July 1, internal tariffs were cut to 50 per cent of what they were in 1957 on industrial products (and to 65 per cent on agricultural products).

### A Common Agricultural Policy

On January 14, 1962, the Council of Ministers' adoption of a series of regulations on agriculture opened the way for an effective Community agricultural policy. This was followed, on February 9, by Commission proposals for: a permanent committee to study the organization of the

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Community's agricultural economy, an annual report on agriculture to the Council of Ministers, and technical and financial aid to improve agricultural organization.

Community regulations for grains, pork, eggs, poultry, fruit, vegetables, and wine became effective on July 31—the date which marks the practical inauguration of the agricultural policy.

The Commission also submitted draft regulations to the Council of Ministers for the organization of the dairy products, beef and rice markets. Advisory committees, composed of representatives of farmers' organizations, food processing industries, dealers, farm and food industry workers, and consumers, have been established to extend the Commission's contacts with all sectors of the agricultural market.

#### **Other Common Policies**

The Commission submitted proposals to the Council of Ministers in May for a common transport policy based on the harmonization of all technical, fiscal, and social regulations affecting transport operations in Community countries and the removal of operating restrictions based on nationality. Also in May, the Commission made further proposals for regulations to implement the Community's antitrust policy. Filing dates were established for firms to submit data in accordance with Articles 85 and 86 and their implementing regulations.

In November the Commission made a series of proposals for the gradual harmonization of turnover taxes. An eventual system of Community-wide patents was envisaged in initial proposals on industrial property rights which the Commission made to the Council of Ministers in October.

#### **Freer Movement for Men, Firms, Capital**

During 1962 the Commission submitted a number of draft regulations to the Council to implement the Community's policy of removing restrictions on the free movement of workers and on the right of establishment for firms and individuals supplying professional services. These included proposals concerning the right of Community farmers in member countries other than their own to cultivate land that has remained idle for two or more years; the right of farm workers who have worked for a minimum of two years without break in a Community country other than

their own to settle in that country permanently; and removal of restrictions on movement and residence for Community nationals wishing to set up businesses or supply services in another member country. The Commission also proposed that national standards of public health and safety applying to immigrants should be harmonized.

Measures to remove restrictions on payment for services and on the free movement of capital within the Community were also proposed by the Commission during 1962.

Further proposals drafted by the Commission on the removal of restrictions on the free movement of labor in the Community would abolish priority for local workers when vacancies are advertised, except in areas with serious unemployment problems.

#### **Social Policy**

As part of the Community's aim of harmonizing social welfare at the highest possible level, on the Commission's initiative a European conference on social security was held in Brussels during December. It was attended by representatives of employers' organizations, trade unions, and government departments concerned with social problems. Financing social security, widening its scope, and the standardization of benefits in the Community were among the topics discussed.

A Commission report on manpower problems in the Community stressed the retarding effect which shortage of skilled labor could have on future development and urged the need for more vocational training.

#### **The Common Market and the World**

The Geneva conference of the General Agreement on Tariffs and Trade (GATT), in which the Community took part as an entity, closed on July 16. As a result of this conference, tariff reductions were made on an annual volume of trade worth (in 1959) some \$4.9 billion in Community negotiations with the United States and with the United Kingdom.

In July the Council of Ministers approved the Commission's proposals for a common external trade policy. These proposals advocate the standardization of national import and export regulations, the harmonization of efforts to expand trade with non-member countries, and the gradual removal of all quantitative restrictions on trade with other countries in the free world.

The British negotiations for membership dominated the Community's foreign relations during the latter part of 1962. Negotiations also took place on Denmark's application for full membership in the Community, and similar applications from Norway and Ireland were welcomed by the Council of Ministers during the year. The association with Greece came into force on November 1.

Three neutral countries—Austria, Sweden, and Switzerland, which applied in 1961 for association—sent delegations during 1962 to the Council to present their applications. Spain, in February, and Portugal, in June, asked that negotiations be held with a view to establishing some form of cooperation with the Community; in September negotiations with Turkey on her request for association were resumed; and in November talks on a possible trade agreement with Israel were opened. During the year 15 more countries established diplomatic relations with the Community, making a total of 46.

The form of the Community's partnership with the asso-



*At the European Social Security Conference in Brussels Dec. 10-15: (left to right) Lambert Schaus and Lionello Levi Sandri, of EEC Commission, and Paul Finet, of ECSC High Authority. Commissioner Enrico Medi represented the Euratom executive.*



Ministers of the 18 African associated states and of the EEC agreed on a new 1963-67 convention of association on Dec. 20. Left to right, Council President Emilio Colombo; Alphonse Nodjimbang, Secretary of State to Planning Ministry of Chad, initialing the agreement as representative of Chad; and Christian Calmes, Secretary General of the Council.

ciated African countries was decided for the next five years by the new association convention agreed during 1962. Under this agreement the Community will provide \$800 million in aid for the developing African associates and continue to give preference to their products in its home market.

During the year the European Development Fund granted loans totaling \$370 million to 279 separate projects in the developing countries. In addition, the Commission approved on March 28 a program of 300 university scholarships for nationals of the associated countries in the academic year 1962-63.

### European Coal and Steel Community

- New "General Objectives for Steel" issued
- Common energy policy proposals sent to Council
- Isolation ending for Belgian coal industry
- Industrial redevelopment in mining areas

Generally favorable economic conditions—continued growth in steel and a stable market for coal—provided the background for the High Authority's work in 1962. Prominent among its achievements was the publication of revised "General Objectives for Steel." During the 10 years of the ECSC's existence the High Authority has established a common market for coal and steel based on the principles of fair competition, respect for the rights of the consumer, and safeguards for workers' interests.

Now that the common market for coal and steel is in



Karl Maria Hettlage (right) succeeded Heinz Potthoff (left) as new member of ECSC High Authority in November.

full operation, the High Authority's main field of action is in guiding these industries and aiding their development.

### Membership Negotiations

The negotiations that followed Britain's official application for membership in ECSC began on July 17, when Lord Privy Seal Edward Heath put Britain's position to the Council of Ministers in Luxembourg. The British Government accepted the terms of the ECSC Treaty but asked for an examination of the problems involved in integrating the British coal and steel industries in the Community. The Six accepted Britain's request on October 4 and agreed to a series of delegates' meetings to define the points which need discussion.

In November the Council agreed to open negotiations for membership with Denmark.

### Coal

A major policy feature in 1962 was the High Authority's decision to end the isolation of the Belgian coal industry from the rest of the common market for coal. The High Authority also sought a solution to the problem of the Ruhr coal sales organization in accordance with ECSC rules. It allocated \$5.6 million during the year to readaptation programs for over 21,000 workers, mainly miners, who lost their jobs through the closure of uneconomic mines and steelworks. It also provided loans totaling \$5.8 million for redevelopment programs, providing more than 1,350 new jobs in mining areas in the Borinage (Belgium) and Auvergne (France), and guaranteed loans of \$1.2 million for a similar program in the Pas-de-Calais, France.

### Steel

On April 3 the High Authority issued its new "General Objectives for Steel" which revised the forecasts first published in 1957 for the years 1960 to 1965. The "General Objectives" are one of the means by which the High Authority provides guidance for the steel industry's long-term planning. They allow individual firms to see their own situations in terms of probable developments in the demand for steel in Community and world markets. At the same time the "General Objectives" provide the High Authority with the criteria to judge investment projects submitted by ECSC firms for its opinion.

This method of guiding the steel industry, which had already proved its usefulness to the Community by enabling a substantial improvement to be made in iron-ore supplies and in the ratio of steelmaking capacity to rolling capacity, was confirmed by recent provisional reductions of coil-producing capacity among Community firms. This occurred after the High Authority had pointed out in its "General Objectives" that at the current rate of development substantial excess capacity would exist for these products in the Community by 1965.

### Transport

The High Authority followed up a Court of Justice decision of July 1962 on publication of transport rates for ECSC products by drawing the attention of the Luxembourg, Belgian, Italian, and Dutch Governments to their obligation of ensuring that transport rates are publicized. In France and Germany publicity for transport rates had already been achieved to some degree.

### Energy Policy

The necessity for large-scale reorganization of the coal in-

dustry, threatened by increasing competition from oil and cheap imported coal, has led the High Authority to the conclusion that the only solution lies in the creation of a common energy policy. The outline of such a policy was given in the memorandum prepared by the Inter-Executive Energy Committee and presented to the Council of Ministers in June 1962. High Authority President Piero Malvestiti pointed out in a speech to the Council on October 4 that a common energy policy would of necessity involve a revision of the ECSC Treaty and perhaps of the Common Market and Euratom Treaties as well. Any such move to revise the Treaty would be discussed in the negotiations with Great Britain.

## Euratom

- Advances in research
- New contracts signed
- Activity in industrial atomics

The principal event for Euratom in 1962 was the adoption on June 19 of the second five-year research program under which \$425 million is to be spent on research over the five years 1963-67.

During 1962 Euratom's activities in many of the main research sectors covered by this program were greatly expanded. In July Euratom signed an association contract with France for joint research on the Rapsodie fast-reactor project, involving Euratom expenditure of \$33 million. Association contracts for research on thermonuclear fusion were signed during the year with the Dutch FOM institute and the German center at Juelich. Euratom also stepped up the pace of the Orgel program at its main joint research center at Ispra, Italy: construction of the ECO critical assembly, part of the Orgel project, is going ahead according to schedule and will come into operation during 1963; and in October Euratom decided to build a \$25 million, 25-MW test reactor, ESSOR (*essai Orgel*).

### More than 100 Research Contracts Signed

Euratom signed more than 100 research contracts with private or public organizations during 1962, and more than 370 were under consideration at the end of the year. Euratom's research staff increased by 300 to a total of over 1,700 during the year.

The construction of new buildings and the installation of equipment at Ispra and Geel, Belgium, continued steadily during the year. Work on the Transuranian Elements Institute at Karlsruhe is under way, and in November the fourth Euratom research establishment came into existence when the Dutch Government handed over its Petten center to the Community. Also in November, the Euratom Council of Ministers approved the proposal to extend to April 1967 the Dragon project, in which Euratom, Great Britain, and other countries belonging to the European Nuclear Energy Agency (ENEA) of OECD are carrying out research on high-temperature reactors at Winfrith, Dorset, in England.

### Keeping Up in Industrial Atomics

The end of July was the closing date for inclusion of power-reactor projects in the U.S.-Euratom joint power-reactor program. Two applications for construction of plants—the Italian SENN and the Franco-Belgian SENA projects—were accepted.

Among Euratom's industrial activities in 1962 was the

establishment of the Nuclear Marine Liaison Committee to pool information on nuclear ship-propulsion research being done under association contracts. Euratom also established *Eurisotop*, an information bureau to coordinate and distribute information on the use of isotopes in industry.

Insurance problems moved toward full solution with completion of the details of Euratom's Supplementary Insurance Convention. Several non-member countries from Western Europe joined in the discussions, and some are likely to become parties to the Convention when it is signed this year.

In March 1962 France put Euratom's Basic Health Standards into force, and Germany is already applying them virtually in their entirety. In the same month the Council of Ministers accepted the Commission's proposals for removing restrictions on the movement of qualified nuclear technicians in the Community.

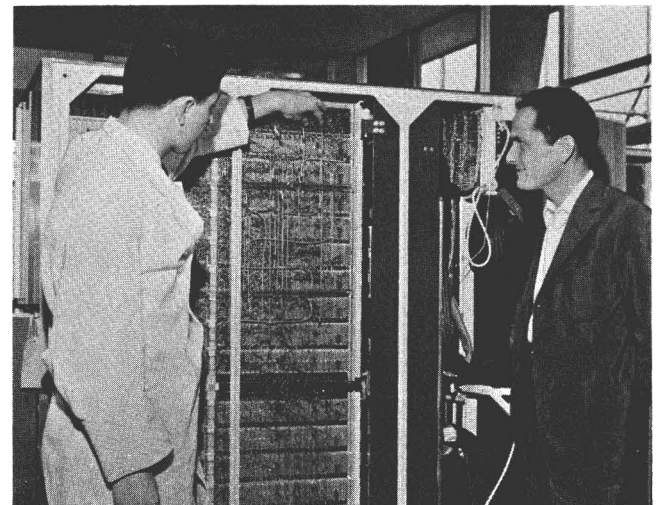
### External Relations

Potentially the most important event of 1962 was Great Britain's application to join Euratom. Britain submitted its application on March 5, and Lord Privy Seal Edward Heath outlined the British proposals on July 3. The Council of Ministers replied on November 14, thus opening the formal negotiations. Denmark has also applied for full membership.

In May two amendments to the U.S.-Euratom Agreement widened the scope of cooperation between the signatories. The most important of these permits up to 30 tons of U.S.-supplied fissile materials to be made available to Community-sponsored research projects; the other allows these materials to be leased as well as purchased. In September the Euratom Supply Agency received the first delivery of fissile materials for use in an Italian research reactor, and in November contracts were signed for the supply of four tons of these materials.

Euratom's links with non-member countries were further extended during 1962. In September a cooperation agreement—Euratom's fifth—was signed with Argentina, providing for the exchange of nuclear information over a period of 20 years, joint ore-prospecting projects, and other types of mutual aid. Five more countries established diplomatic links with Euratom—Spain, Portugal, the Ivory Coast, South Africa, and Australia, bringing the total to 15 by the end of November. A cooperation agreement between Japan and the Community has been proposed. ♣

*Euratom technicians examine circuitry of Ispra research center's electronic computer, one of the largest and most complex in the world.*



# EEC PRESIDENT, IN NEBRASKA, OUTLINES AGRICULTURAL POLICY



*Mechanization, as on this French farm, is achieving one of the aims of the common agricultural policy—increased productivity.*

COMMON MARKET COMMISSION President Walter Hallstein explained to a Nebraska audience on December 6 that the Community's common agricultural policy "pins its faith to a non-discriminatory multilateral world trade system in which the consumer has the last word on what amounts and qualities shall be imported and from what country."

Speaking at a special 75th anniversary convocation at Nebraska Wesleyan University during which he was awarded the University's honorary Doctor of Laws degree, President Hallstein devoted the major part of his address to agricultural policy and trade. It was his first visit to the "agricultural heartland of the United States," he told the convocation.

Noting that "agriculture is a special case" in all economies, he explained that in developing its common agricultural policy the Community was working toward achievement of its purpose—the merging of the separate national economies of the six member countries. Agriculture is an essential component of over-all economic policy, he said, particularly in the Community, where almost 25 per cent of the population is agricultural, a proportion twice as high as that of the U. S. farm population.

## **Wheat price by April 1**

Stating that the Community's full commodity-by-commodity policy had not been determined, the Common Market executive said: "What already exists is the framework, the instruments for applying the policy; in other words, we have decided that there will be a target price and an intervention price for grain, that there will be levies between member states and at the external frontier, that there will be certain financial measures . . . The decision as to what is to be made of these instruments will come the moment we decide on the common grain price—that is, the price which is to obtain for the whole Community and toward which the still widely differing national prices must move."

The first decisions on this price, President Hallstein said, would be taken by the Community's Council of Ministers by April 1, 1963.

He had referred earlier to the problem of grain prices, using the difference between the high price of grain in Germany and the comparatively low price in France to illustrate the necessity and difficulty of achieving at least

gradual introduction of one common price on agricultural products within the Community.

During his speech President Hallstein also pointed out that in 1958 the Community imported from the United States about \$265 million worth of grain and livestock products and in 1961 about \$490 million. Of these totals, the grain imports increased from about \$200 million in 1958 to about \$395 million by 1961. He also referred, without elaboration, to the increase of U. S. exports of poultry to the Community from \$2.7 million in 1958 to \$36 million in 1961.

## **Explains Community's Internal Aims**

The aims of the common agricultural policy, he said, are four:

1—To ensure an adequate income for the farming population: The Community's common agricultural policy affects the lives of 40 million human beings, President Hallstein said, adding that this responsibility also has a political aspect, since the growth of the Community requires the support of these 40 million people.

2—To increase the productivity of agriculture: "We are convinced that agricultural problems cannot be solved in the framework of agriculture alone," President Hallstein said. "Rather must the other sectors of the economy help to facilitate the adaptation which agriculture must undergo. In other words, a necessary part of the common agricultural policy is a regional development policy creating new jobs in farming areas so that all those who wish to cease working in agriculture can earn an adequate income through other activities, whether in industry or in the service sector," he declared.

3—To achieve balance between production and consumption: The Common Market executive said that in Europe, as in most advanced industrial areas, production is overtaking consumption, and he pointed out that the Common Market is already producing more dairy produce and more pork than it can consume. He continued: "As we modernize agriculture . . . (and this we must do if farm incomes are to maintain an adequate level), the problem of latent surpluses in a whole series of farm products becomes increasingly urgent."

4—To supply the consumer with the necessary foodstuffs at reasonable prices: Agricultural policy can be developed in two ways, President Hallstein said: “Either market prices can be allowed to develop freely and imports made without restrictions or protectionist measures of any importance, in which case farm prices will be very low and direct subsidies will have to be paid to farmers so that they have an adequate income.” This, said President Hallstein, is the system used in Great Britain, “and it is only practicable when the agricultural population is not too numerous.”

The other alternative, he explained, is that farm prices be fixed high enough for the farmer to earn a living from them and protection be provided at the frontier against too many and too cheap imports, with the State buying from farmers what they cannot place on the market. This system, President Hallstein remarked, is applied in the United States and in the Community under its new agricultural policy.

### ***Explains Use of Variable Levies***

The Common Market executive emphasized that, on imports from non-member countries, the new policy provides a uniform system consisting simply of levies or customs duties.

“The levies,” he said, “are variable payments which offset the differences between prices outside the Community and the prices which agriculture requires within the Community. The charges made on imports from all non-member countries are the same. They are therefore—and this is a very important point—non-discriminatory. This system replaces all other restrictions on imports, such as quotas, compulsory mixing, monopolies, and State trading formerly under the national policies of the member states.”

In general, President Hallstein said, farm output in the developed countries is growing at a rate of some 4 per cent yearly, as a result of technical progress. Competition on the whole is expanding at the same rate, except for some livestock products, he continued, so that the margin for imports is not very wide.

“It is mainly in coarse grain, beef, high-grade wheat, and vegetable oils and fats,” he said, “that the Community still needs to import in order to meet demand. All concerned must realize this, and the Community, too, will have to bear it in mind when it begins to work out its price policy.”

Pointing out that neither the developed countries nor, for opposite reasons, the less-developed countries are capable of absorbing a constantly rising agricultural output, he emphasized that the problem of surpluses “has nothing to do with the establishment of the European Economic Community or its common agricultural policy.”

### ***Problem of Surpluses Must be Solved***

If Britain should join the Common Market, President Hallstein said, the enlarged Community of more than 250 million consumers would be the world’s largest importer of agricultural produce: It would take almost 70 per cent of the world’s coarse grain imports, almost 70 per cent of all butter imports, nearly 60 per cent of all wool imports, and over 50 per cent of all meat imports.

Such a market would bear a great responsibility, he said, and the way in which it regulated its imports would “be the key problem for world trade in agricultural produce.”

The issues could be examined in the framework of Atlantic partnership, he said, now that President Kennedy, with the Trade Expansion Act, had laid the foundation for such a partnership. The European Community, he said, is considering U. S. suggestions, also urged by Secretary Freeman, that agricultural matters be discussed in the course of U.S.-EEC negotiations to be conducted under the new U. S. trade act.

In a wider context, President Hallstein said, consideration should be given to the possibility of world-wide arrangements for certain items, as discussed in the negotiations concerning British membership in the Common Market.

### ***World Agreements May Be Solution***

“It seems paradoxical that there should be a very highly developed market organization for the individual national agricultural markets,” he remarked, “while at world level there are only a few fragmentary beginnings, such as the World Wheat Agreement . . . The GATT rules leave so much margin that each government is virtually free to pursue whatever agricultural policy it likes, and for some countries, including the United States, there even exists a formal waiver, so that these rules are not applicable at all . . .

“We believe that, if Britain should join the Common Market and the present preferential system between the Commonwealth countries and the United Kingdom disappear, the special problems that would face the Commonwealth countries could be solved through these agreements; they should, however, bring in the non-member countries and thus establish a world-wide multilateral trading system for the products concerned.”

President Hallstein’s visit to the United States was a brief one. His first stop was New York City, where on December 5 he addressed the Annual Congress of American Industry, National Association of Manufacturers, and conferred with United Nations Secretary General U Thant.

After his visit to Nebraska Wesleyan University he went to Omaha, where, on December 7, he addressed the faculty and students of Creighton University. He also met and spoke with representatives of U. S. farmers’ organizations, Midwest businessmen, political leaders, publishers, and editors. Among his hosts at these events were Senator Carl Curtis and Governor Frank Morrison of Nebraska. President Hallstein returned to Brussels on December 8. 🌻

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## **Community Has Record Grain Crop**

The Statistical Office of the European Communities estimates that the total 1962 grain crop of the Community, excluding rice, reached 56.5 million tons, which marks a postwar record and is 6.5 million tons higher than in 1961.

The wheat harvest of 28.4 million tons was particularly good—five million tons higher than in 1961. All the other grain crops except maize also exceeded the 1961 levels. The improvement was attributed to higher yields, which on average were 10 per cent above those of 1961.

Grain crops in the Community countries rose from an annual average of 41.6 million tons between 1950 and 1954 to one of 49.9 million tons between 1955 and 1959. This was achieved without any appreciable increase in acreage. 🌻

# COMMON MARKET-BRITISH NEGOTIATORS HAVE HEAVY SCHEDULE

## Special Agriculture Committee Meets

MINISTERS OF GREAT BRITAIN and the six Community countries decided to meet again on January 14 to 18 and from January 28 to February 1 to continue their discussion of agricultural and other problems raised by Britain's application for membership in the Common Market.

Meanwhile, a special investigating committee, headed by Commission Vice President Sicco L. Mansholt and composed of agricultural ministers of Britain and the Six, is meeting to clarify the facts of the agricultural problem and help the ministers to break the apparent deadlock on this question.

Among the subjects the committee has been discussing are, as one observer put it, the ingredients of the traditional British breakfast—cereals, bacon, and eggs.

### *Frequent Meetings Scheduled*

The weeks before Christmas saw a quickening of the ministers' already busy timetable, with three separate meetings in December. On December 3-5 ministers of the Six met to discuss the financial regulation for agriculture, Article 234 of the Rome Treaty, and their own future timetable.

On December 10-11 the Six met with Great Britain for further discussion of British agriculture, as well as of Article 234, Malta, and Malaysia. For Malaysia, it was agreed that a trade agreement might be concluded between it and an enlarged Community, and that meanwhile, if Britain should join the Community, she should begin to apply the common outer tariff on Malaysian goods at a gradual rate.

The main outcome of this meeting, however, was the establishment of a special fact-finding committee of ministers of agriculture of Great Britain and the Six, under the chairmanship of the Commission. The committee, which has no clearly delimited mandate, is at present seeking to clear the ground for ministerial negotiation by investigating the detailed consequences of the various solutions proposed for the adaptation of British agriculture to the common agricultural policy.

The subjects discussed included wheat, barley, pork, eggs, poultry, and the question of the transition period for British agriculture.

### *Institutional Question Raised*

While the investigating committee continued its work, ministers of Britain and the Six met again on December 19 and 20. Mr. Heath raised the question of the institutional and other arrangements to be made for the enlarged Community—his first statement on this point, which is to be more fully discussed this month. Speaking in general terms, he asked that the principles now governing qualified majority voting (roughly a two-thirds majority) should also apply to the enlarged Community, in which he said he hoped that Britain would have the same voice as France, Germany, or Italy. He also requested that English should become an official language of the Community when Britain joined.

Other points discussed included Malta, Cyprus, the three High Commission territories of Basutoland, Bechuanaland

and Swaziland. On Malta it was agreed that a special protocol should be worked out, envisaging its association with the Common Market. Cyprus, which has applied for association with the Community under Article 238 of the Rome Treaty, is to be discussed by the Six on January 21. For the High Commission territories, it was agreed that a protocol could be added to the agreement with Great Britain, under which they could continue to export duty-free to the British market, subject to suitable definition of the origin of their products, since these territories have a customs union with South Africa. 🌿

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## Netherlands Antilles Becomes Associate

The Common Market Council of Ministers, meeting in Brussels on November 13, 1962, passed an amendment to the Rome Treaty which will admit the self-governing Netherlands colony of the Antilles (Dutch West Indies) as an associate of the Common Market.

Preferential markets, particularly for refined petroleum products, and other benefits which the Antilles will receive as a result of the agreement are expected to contribute substantially to the islands' economic development. Carlo Russo, Italian Foreign Minister and President of the Council of Ministers, said: "The aim of such an association is, in the words of the Rome Treaty, 'the encouragement of economic development in overseas countries and territories and the establishment of close economic relations between them and the Community as a whole'."

Terming the association agreement a bridge between the Community and the distant islands in the Caribbean, Signor Russo said, "Perhaps it will be only the first of other Community actions in this part of the world."

The association agreement will come into force on ratification by the six Community countries. 🌿

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## Community to Increase Cotton Imports

The European Economic Community has accepted the long-term cotton textile agreement to liberalize international trade in cotton textiles, negotiated in the framework of the General Agreement on Tariffs and Trade (GATT).

The pact, which came into force on October 1, 1962, and is to run for five years, replaces an earlier short-term agreement for October 1961 to September 1962. Its aim is to widen the outlets for the goods from low-cost exporters such as Japan and Hong Kong, while avoiding disruption to the home markets of the importing countries.

The cotton textiles committee of GATT expects Community imports of cotton goods to be nearly doubled in the next five years as a result of the agreement. Besides the six member countries of the Common Market, the United States and 12 other nations (Australia, Austria, Canada, Denmark, India, Japan, Norway, Pakistan, Portugal, Spain, Sweden, and the United Kingdom, also representing Hong Kong) participated in drawing up the agreement. 🌿

# MONNET COMMITTEE URGES EUROPE TO SPEED UNITY MOVES

## Suggests EEC Commission Serve as Partnership Spokesman

THE ACTION COMMITTEE for the United States of Europe, headed by Jean Monnet and representing major political parties and trade unions in the six European Community countries, at its tenth meeting on December 17-18 in Paris issued a joint declaration, the full text of which is reproduced below:

The Action Committee for the United States of Europe views recent events as a confirmation that the unification of Europe and the organization of the West, which were the themes of its declaration of June 26 last, are both under way.

The object of the present declaration is to define the concrete actions which are immediately possible and necessary to speed the achievement of these ends.

### I

The Cuban affair has underlined the urgency of establishing built-in conditions of peace. Force may prevent war. It cannot create peace.

The Action Committee is convinced, as it stated in its declaration of June 26, 1962, that to ensure peace the West must unite and prove to the world that nothing can divide it. When that is clear, agreement between East and West will become possible.

This presupposes:

- Speeding up the unification of Europe;
- Pursuing without delay the organization of an equal partnership between Europe and the United States.

President Kennedy's already deservedly famous speech, delivered on American Independence Day, in which he looks forward to the interdependence of the United States and Europe as equal partners, shows that a united Europe is making a united West possible. Congress has passed the Trade Expansion Act which makes it possible for the United States to negotiate on this partnership in the economic field.

Mr. Khrushchev, in an important article that appeared in the review *Problem of Peace and Socialism*, has stated in connection with the Common Market that "we are taking into account the objective trends toward the internationalization of production which are at work in the capitalist world and we are shaping our policy, we are adopting economic measures, accordingly. This raises the question of the possibility of economic cooperation and peaceful economic competition not only between States with different social systems but also between the economic groupings to which they belong."

The development of the Cuban affair and the progress of the Common Market, which has produced a new tone in Mr. Khrushchev's speeches on European unity, create hopes of change in the relations between East and West.

### II

In order to speed up the unification of Europe, it is essential that the negotiations with the United Kingdom be brought to a rapid conclusion, that a start be made with the political union and that effect be given to the Commission's program of action for the Common Market which will accelerate the economic integration of Europe.

1. The unequivocal stand taken by the British Government at the Commonwealth Conference showed that the United Kingdom is resolved to come into Europe politically and economically.

Nevertheless, the negotiations surrounding its entry into Europe are dragging on. Some of the problems under negotiation are certainly complex and involve some many-sided issues.

But the Action Committee feels too that owing to the conditions in which the negotiations are taking place the governments of the Six and the British Government are tending to confuse the comprehensive view which should govern the negotiations as a whole with the discussion of the detailed implementing decisions, important though these may be.

Today, there can no longer be any question of compounding national interests but, instead, of considering problems as henceforward common and gradually merging the national interests in a European economic body accepting the same rules and the same institutions in accordance with the fundamental principles of the European Community.

Since time is today an important factor for the success of the negotiations with Great Britain, these must be rapidly concluded. In view of this, the Committee considers that the creation last week in Brussels of a Committee of the Ministers of Agriculture of the Six and of Great Britain, with the Commission in the chair, to establish the facts in the crucial field of agriculture is very useful. This new procedure should, where necessary, also be followed in tackling other questions which could hold up the negotiations.

2. The Committee considers that it is all the more necessary to conclude the negotiations for the entry of the United Kingdom into the Common Market because this corresponds to the need to create a political union as early as possible, the first steps toward which should be taken with the United Kingdom.

The economic union already in existence has necessarily had far-reaching political consequences: It is now possible to think in terms of political union.

Any agreement organizing the initial period of political cooperation must clearly guarantee the continuity and future of economic integration, which is the basis of political union.

3. The Action Committee considers that the action program published by the Commission is an essential element in the establishment of European policies necessary to maintain growth.

With this in mind, the Committee confirms its resolution of July 10, 1961, on the need to create the European Monetary Reserve Fund.

### III

To create an equal partnership between Europe and the United States without delay, one must not aim at solving all problems at once.

Europe and America must together seek to deal with the concrete and immediate problems which neither the one nor the other can settle alone and for which the resources of both must be used or developed in common.

To this end, joint *ad hoc* institutions should be created when the occasion arises.

As regards foreign trade policy, provision already exists for action by the European Community as an entity: The Commission has a mandate to negotiate for the Community subject to over-all control by the Council of Ministers.

America and the Community should enter into negotiations without delay for a reduction of American and European customs duties. The recent vote in the United States Congress has



- Increasing opportunity for them to find outlets for their industrial products on Western markets.

The OECD [Organization for Economic Cooperation and Development] and its development Assistance Committee, which were created to further these aims, should speed up the pace of their work which is still held up by too many obstacles.

#### IV

To handle these problems effectively it is essential that the European Community should be able to deal as a unit with the powerful United States and the other countries of the world.

For this purpose, the European Community needs a spokesman with a mandate to treat as its representative.

Here the European Commission is in a position to play a decisive part.

Its function is to take a comprehensive view, which none of the governments can do, as their responsibilities are to defend the individual national interests.

It is the Common Market Commission which is responsible for suggesting solutions to common problems. But many of the Community's problems no longer concern the Six alone: they arise from the problems which a growing Europe has to handle with the rest of the world.

Further, it is becoming more and more difficult for the European Community to negotiate effectively if the Ministers have to devote an increasing amount of their time to negotiations over and above their national duties.

There can be no question of a transfer of authority. The Council of Ministers of the Community must continue to lay down the broad guiding-lines and reserve the final decision to themselves under the various terms specified in the Treaties.

The problem is to organize a regular interchange between the Commission representing the interests of the Community, the Council of Ministers representing national interests, and the countries with which the Community has to treat, by entrusting the European Commission with greater responsibility for the negotiations.

For this, the Commission must not only lay comprehensive proposals before the Council of Ministers, but, after discussion, receive broad instructions from the Council, who reserve the final decision to themselves in accordance with the Treaties. Meanwhile the Commission, having received its instructions, would negotiate as the Community's representative.

Thus, the Council of Ministers would maintain their proper position and deal with questions as a whole instead of dealing with each and every detail.

Only this simple but absolutely essential reform will enable the European Community to tackle in time, with America and the rest of the world, problems which are becoming more and more numerous and complex.

Accordingly, the members of the Action Committee have decided to submit the following motion to their respective Governments:

"The Government of (our country) belonging to the European Community, is invited to work out as a matter of urgency with the other members of the European Community the method of negotiation between the Community, America and the rest of the world.

"The European Commission must submit over-all proposals on the problems to be tackled to the Council of Ministers of the Community. The Council of Ministers must then give the Commission their instructions as to the general aims the Community must set itself and entrust the Commission with the task of actual negotiation. The Commission will then have a mandate to speak as the representative of the Community.

"In conformity with the Treaties, the final decision would be taken by the Council." ❁

*M. Monnet*

made these negotiations possible.

1. Further economic expansion presupposes the coordination of the necessary measures by the European Community, including Britain, in conjunction with the United States, and concerted action by them to prevent a recession. Monetary action is a prior condition of an over-all economic effort of this kind.

2. Where agriculture is concerned, the aim is to devise a systematic policy instead of allowing national regulations to clash.

Although the West inclines toward competition in industrial products, for agriculture it tends toward organization on a corporate basis.

The common agricultural policy must contribute toward the organization of European agriculture in connection with the other principal food producers. The entry of the United Kingdom is bound to make it easier for the European Community to conclude the necessary world-wide agreements.

3. The Community has already established an association with certain countries, notably in Africa, in which the accent is placed on a Development Fund.

The Community must also lose no time in adopting common policies in order to put into effect, with the United States, programs designed to foster the growth of the developing areas as a whole.

A policy of this kind is made possible by the growing resources of the West. It must be such as to convince the world that the West is anxious to help the developing countries and no longer to dominate them.

This policy, in essence, must include:

- Assistance spread over several years;
- A system to stabilize the export prices of countries which produce tropical goods and raw materials;

# HALLSTEIN DISCUSSES NATO AND THE ATLANTIC ALLIANCE

"WE STAND AT THE THRESHOLD of a new era—the era of Atlantic partnership," declared Common Market Commission President Walter Hallstein in Paris on November 12 to representatives from the 15 NATO countries at the NATO Parliamentarians' Conference.

Recalling an earlier speech before the same body, he said: "In 1959, a major part of my duty before you was that of an advocate—to explain and, indeed, to defend the European Community. Speaking on behalf of the EEC Commission, I spoke not as a German, but as a European citizen with European responsibilities. Today it is my purpose and my privilege to speak not only as a European, but also as an Atlantic citizen."

The OEEC (now OECD) and NATO, said President Hallstein, were the first organized expressions of Atlantic solidarity. The basic logic of NATO, he said, is that of a classical defense alliance—common defense against possible aggression.

"But," he added, "because one of its members is immeasurably more powerful than any of the others, it has always demanded from that member the highest degree of responsibility and from the others the highest degree of trust. That responsibility has never faltered. But the need for it, and the complementary need for trust in it, are magnified a thousandfold by the conditions of thermonuclear warfare . . .

"Of course, the most radical solution to all these problems—as indeed to so many of the fears and tensions that beset our world—is controlled disarmament in both the nuclear and the conventional spheres. Toward this goal we must and shall continue to strive. But until we have attained

it we must face facts—those somber facts that make our military alliance a vital guarantee of peace."

Despite various attempts to palliate the causes of stress and strain within the alliance, President Hallstein said, its basic structure, with its twin and complementary demands for responsibility on the one hand and trust on the other, remains unchanged. Essentially the problem is twofold, he said: how—safely—to spread the responsibility more evenly and how at the same time to increase mutual trust.

The creation of a united Europe potentially affects both aspects of the problem, he declared: "Let me merely recall two facts. The first is that in the days of the European Defense Community project there was no question of its 'dividing NATO.'

"The second is the remark made by Mr. McGeorge Bundy in his now celebrated speech in Copenhagen last September. He said that no one should suppose that the United States was unwilling to share in this grim responsibility whenever the responsibility was truly shared. It would also be wrong, he added, to suppose that the reluctance which it feels with respect to individual forces would be extended automatically to a European force, genuinely unified and multilateral and effectively integrated with the necessarily predominant strength of the United States in the whole nuclear defense of the alliance."

Later in his speech, President Hallstein said: "NATO . . . has always sought to be more than a merely military alliance . . . And yet, looking at the fruits of NATO's economic and political efforts, which of us can feel satisfied that true Atlantic partnership has been established?"

## *Partnership is Between Equals*

"To say this," President Hallstein continued, "is not to criticize the dedication of those who have worked, and are still working, to further the economic and political efforts of NATO. The root cause . . . is inherent in the structure of the alliance, grouping as it originally did one giant member and 14 others, each of whom is inevitably smaller than a world power of continental size. Partnership is only possible between comparative equals."

"The decisive change that has now transformed this situation," said President Hallstein, "is the establishment of the European Community." The creation of the Community, he added, has had two consequences. The first, he said, was the transformation of the Organization for European Economic Cooperation (OEEC) into the Organization for Economic Cooperation and Development (OECD) in which the United States and Canada are full members and not just observers. "Its purpose," said President Hallstein, "is no longer the recovery of Europe, but the development of the free world."

The second consequence, said the Common Market President, is "the bold and imaginative Trade Expansion Act recently passed by the U. S. Congress and specifically designed by President Kennedy to meet the challenge and opportunity [of] the European Community . . ."

## *Atlantic Partnership or Community?*

"So far," said President Hallstein, "I have spoken exclusively of an Atlantic Partnership, never an Atlantic

### **Declaration Urges Atlantic Community**

A DECLARATION OF ATLANTIC UNITY, urging the establishment of an Atlantic Community, was presented to the eighth annual NATO Parliamentarians' Conference in Paris on November 12 by Senator Estes Kefauver of the United States. Signed by representatives from all the 15 NATO countries except Portugal, the Declaration urged seven steps toward the creation of an Atlantic Community:

- A governmental commission to draw up a Charter for an Atlantic Community.
- A permanent High Council, which would decide on specified matters of common concern by weighted majority.
- Development of the NATO Parliamentarians' Conference into a consultative Atlantic Assembly.
- An Atlantic Court of Justice.
- A trade partnership between the European Community and North America which would form the basis for an Atlantic Economic Community, open to all countries of the free world.
- Promotion of measures designed to improve the common defense system, including further development of an Atlantic command; a common strategy; greater standardization and a more rational production of arms and equipment; and defense contributions fairly shared.
- Expansion of the Atlantic Institute as an intellectual and spiritual center of the Atlantic Community.

Community . . . In the sense that we are now accustomed to use it, the word 'Community' is an innovation, adopted to describe the fundamentally new organism established by the treaties of Paris and Rome. If that organism is not fully either a federation or a confederation . . . it is nevertheless very different from even such an international organization as NATO. It certainly has federal elements; it certainly involves what Mr. Harold Macmillan has aptly termed 'the pooling of sovereignty'; it certainly . . . already represents partial political union.

"Would it be reasonable, then, to expect the United States to join in so thoroughgoing a venture? . . . I think our American friends here will agree with me that American public opinion is a very long way from accepting such an idea . . ."

Regarding the formation of new Atlantic institutions, which was proposed during the conference in a Declaration of Atlantic Unity (see box), President Hallstein said:

"I am not tempted by the notion that we should straightaway set up some central Atlantic body to direct our efforts: and this for two reasons. The first is that a major part of those efforts, paradoxical as it may seem, must continue to be competitive. We must harness the forces of free competition, curbing their ill effects . . . Part of the purpose of tariff-cutting is to set these expansionist forces free.

"But there is a second reason for my distrust of *a priori* institutions. As yet we do not know what precise role they would have to fulfill. When we do, it will be easier to devise them . . . Already we have four great institutions: NATO, the Organization for Economic Cooperation and Development, International Monetary Fund, and GATT.

## Kennedy: 'One of the Greatest Problems . . .'

"I think . . . one of the greatest problems of the Alliance in 1963 [is] whether the Alliance will begin to fragment into national deterrents which will cost great sums of money, and cause political and strategic imbalances, or whether it will be possible for us to work out some arrangements which will give Europe a greater degree and feeling of security.

"There is always the argument in Europe that the United States might leave Europe, which is, of course, in my opinion, fallacious because the United States can never leave Europe. We are too much bound together . . .

"But, nevertheless, there are those who argue that we are going to leave Europe, or that this complete control over the nuclear weapons gives the United States too great a voice in the destiny of Europe. Therefore, we are attempting to lessen that feeling of overdependence by this multinational proposal and the root of it is the Nassau agreement. . . . Whether it is going to flower or not, we ought to be able to tell in 1963. . ."—*Excerpt from a transcript of a background interview on the Pact of Nassau, held by President Kennedy on Dec. 31.*

Let us trust to our collective skill to use them wisely . . .

"What I am saying," President Hallstein concluded, "is that the impulse for reform and improvement is already there . . . that a major part of the new opportunities which we enjoy derives from the dynamic of European integration, at present limited to economic subject-matter, but potentially . . . a major political contribution to the strength of the free world. That, not Mr. Khrushchev's 'imperialist' accusation, is the true link between the EEC and NATO."

# ECONOMIC PROGRAMMING: FOR AND AGAINST

THE ACTION PROGRAM presented by the Common Market Commission in October (see Bulletin No. 58, p. 1) has provoked wide public discussion in the Community, particularly on the proposals for economic "programming."

Among the democratic political parties there is widespread agreement on the program's aims of pursuing political union, speeding up the customs union, moving in the direction of a possible future single currency and a common turnover tax, and accelerating the implementation of common policies. Only the proposal for Community programming has raised any real controversy, prominent in which was the speech of German Economics Minister Ludwig Erhard at the European Parliament's session in Strasbourg on November 20.

## **No Centralization, No Bureaucracy**

In his speech Dr. Erhard warned against centralization. Just as there should be no centralizing tendencies in political unification, so there should be no centralization in the Community's economic policy, he said. Dr. Erhard said that he hopes political unity will take on a statutory form but that this form should be in accordance with Europe's history and traditions and should not now be predetermined through economic policy.

Dr. Erhard stated that he was in full agreement with the action program's chapter on competition: in a market economy; he said, competition is the most effective instrument of guidance and should be strengthened. Genuine, free, undistorted competition keeps up activity by compelling firms to invest and to be efficient; but one could not have two different systems side by side—competition on the one hand and, on the other, programming, even if the programming were not obligatory, he said.

Dr. Erhard then attacked the action program's proposals for agricultural policy, which he said could easily lead—though doubtless unintentionally—to protectionism. He also said that he would have liked to see more about foreign-trade policy in the program, and that in social policy he would prefer close cooperation rather than harmonization; a central social policy would raise costs and endanger competitive capacity, he said.

## **Quality, not Quantities**

The weight of Dr. Erhard's attack fell on the Commission's proposals for medium- and long-term "programming." He was ready, he said, to accept short-term forecasting, as indeed he had in Germany, provided it dealt only with State expenditure and did not try to plan the investment of

the private sector of the economy.

When it came to long-term programming, however, Dr. Erhard declared, he was not ready to admit that "life" could be depicted in figures. The behavior of human beings is a matter of quality, he said, and not measurable in figures.

Germany was raised from ruin and destruction, he declared, not by statistics and calculations—these had all landed in the waste-paper basket—but through the dynamic strength of free development, the will to work, and the initiative of all concerned. Dr. Erhard continued: "You cannot, by putting together individual national plans, however carefully drawn up, get a total viewpoint and determine what is good for the whole. . . ."

Moreover, even if a plan could be decided on, Dr. Erhard said, not all the Community countries have the means for implementing it; Germany, for example, has no influence over the monetary and credit policies of the banks. A policy of programming, even if it were only a means of guidance, would either trail behind events or force them, he stated, and the big firms would do better under such a system than the small and medium-sized firms.

Finally, Dr. Erhard said, the more economic policy was planned, the greater the tendency would be for the policy to be determined not by competent authorities of the Community, by the Governments which were politically responsible, and by the Council of Ministers, "but by bureaucratic machinery."

### ***The role of Government***

Later in the debate, Common Market Commission President Walter Hallstein replied directly to Dr. Erhard's criticism. The action program was built on the conception of a free economic order, he said, but it was continually conscious of the presence of the state in the economy. Without state action the result would not be a free play of forces, but free play of the powerful and the weak; therefore rules were needed to indicate the limits of accepted competition.

Secondly, he said, the presence of the state is visible in all countries in the shape of economic policy, carried out by large, well-equipped economic ministries. The state's rules and actions ensure that the political aims of internal policy are achieved.

On the Community level, "government" intervention is necessary: first, to get rid of all the real barriers to trade and free circulation which exist—one could not do this just by proclaiming the principle; and, secondly, to make sure that competition, in this new single market without trade barriers, is fair competition, said President Hallstein.

The modern state in all free societies regards itself as responsible for incomes and wages policy, for the state of employment, for a steady balanced growth rate—in fact, for economic policy, the Common Market executive declared. The task of the Community is to bring such responsibilities "under a Community discipline"; in some cases, such as agriculture, transport and foreign trade, he added, these responsibilities have already become a matter of policy of the Community rather than of the individual member governments.

### ***Centralistic or federal***

The partial pooling of powers under the Community is in fact federal and not centralistic, he said, echoing Dr.

Erhard's terms. "A federation is characterized by the fact that part of the public power is pooled, while another part remains vested in the states which form the members of this Community . . . I would propose substituting for the word 'centralism' the words 'Community policy'. In this sense I fully accept the assertion that the future political form of a unified Europe is being prejudged." All thinking persons involved in these matters envisage this future form as a federal form, he said, "but that means that, above the individual powers of the member states, a real Community power must arise."

President Hallstein then repeated the action program's definition of long-term "programming":

"[It] would in no way constitute an authoritarian plan, imposed on private firms and interfering with the freedom of the market. It would be a framework for the action of the governments and of the Community institutions. Its starting point would be the estimated growth potential of the economy over the period under review, on the basis of present economic and financial policies. It should set out ways of improving these policies. Its basic principle would be the fullest possible utilization of the Community's resources, without inflationary pressures. A general view of this kind could be called a program, on the understanding that this program would need continual revision to allow for unforeseen developments."

### ***Constitutional procedure***

The action program is a guidance paper, President Hallstein said. It would have to be translated into detailed proposals, he added, on which all who share responsibility—the European Parliament and the Economic and Social Committee—would have to be consulted; the Council of Ministers would then decide. Apart from these legal and material considerations, there would be politically no danger that the machinery which the Commission advocates would take on an independent absolutist existence and master its creators or move toward a centrally directed totalitarian economy, he declared.

Programming would not restrict the choice of producers or consumers, allocate resources among entrepreneurs, or ration goods to the consumer, he said. It would strengthen the competitive economy, President Hallstein concluded, and it would be of particular value to small and medium-sized firms. ♣

#### **Economic Programming Bureaus in W. Europe**

- The French *Commissariat au Plan*, which includes industry representatives and economists as well as Government experts, has been providing "framework" plans for French economic development since 1947.
- The Netherlands has had a Central Planning Bureau since 1945.
- Belgium set up an Economic Programming Bureau in 1959.
- Great Britain set up "Neddy," the National Economic Development Council, in 1962.
- In Italy a committee on economic programming was formed in the summer of 1962 under the Italian Budget Minister, Ugo La Malfa, who has stated his intention of establishing an effective programming organization.

# COMMUNITY FORECASTS 1960-1970 GROWTH

AN INCREASE IN THE Common Market's gross product of 53-59 per cent between 1960 and 1970 was forecast in the *Report on the Prospects for Expansion in the EEC from 1960 to 1970*, released by the EEC Commission in November.

The report, prepared under the direction of Pierre Uri working with economic experts from the member states of the Community, presents growth estimates of major components of the economies of the six member countries of the Community and of the Community as a whole, projected over the decade 1960-1970. A possible annual growth average of 4.8 per cent from 1960 to 1970 for the Community was thus indicated.

**Community output:** The report estimates that the gross product of the Community will increase by 53-59 per cent from 1960 to 1970—from \$181 billion to \$277 billion or, possibly, \$288 billion. Per capita productivity of the working population is expected to rise by nearly 50 per cent in the same period. In 1960 the average value of gross output per worker was about \$2,500; this should rise to approximately \$3,750 by 1970 (1960 prices), the forecast says.

## Increase in Gross Product in the European Economic Community, Actual and Projected

Countries	Percentage increase per 5-year period (maximum growth hypothesis)				
	1950-55	1955-60	1960-65	1965-70	1960-70
Germany (F.R.).....	54.2	35.0	24.1	21.9	51.1
Belgium.....	17.6	12.9	20.5	21.1	45.9
France.....	24.2	22.9	28.8	25.8	62.0
Italy.....	33.6	33.0	33.5	32.3	76.6
Netherlands.....	31.3	22.6	23.4	27.2	57.0
EEC.....	35.0	28.1	27.0	25.3	59.1

**Total population:** The population of the Community (excluding Luxembourg) was 168.8 million in mid-1960. It is expected to have reached 175 million by mid-1965 and 181.9 million by mid-1970. This would be an increase of 7.8 per cent for the decade.

**Active population:** In 1960 the employable population of the Community was 73.3 million, or 43.4 per cent of the total population. The number of persons available for employment will increase to an estimated 75.6 million in 1965 and 77.9 million in 1970—an over-all increase of 6.3 per cent.

The proportion of workers to total population is expected to fall to 42.8 per cent, however, because of a tendency toward longer school attendance before employment and earlier retirement. A forecast increase of 2.3 million in the number of women employed in the Community will not be sufficient to make up the losses from these sources.

**Unemployment:** For the Community as a whole, unemployment is expected to be down to one million by 1970. This represents a 7 per cent increase in employment (from 71.8 million in 1960 to 76.8 million in 1970) and means that the opportunities for work are rising faster than the active population (for which an increase of 6.3 per cent has been forecast).

**Working hours:** The Commission forecasts a reduction in the average length of the working week for the Commu-

nity as a whole. This is expected to level out at an annual average of 40 hours per week, partly through reductions in the length of the working day and partly through longer holidays.

**Employment by sectors:** As efficiency in agriculture increases, agricultural employment is expected to fall by an average of 2 per cent a year until 1970 when an estimated 16 per cent of the Community's working population will be needed in this section. The Commission predicts that employment in industry will rise at an average annual rate of 1.5 per cent until 1970, when it will account for 44 per cent of the active population. Employment in the provision of services is likely to rise even more rapidly—by 1.9 per cent a year on average—and should absorb 40 per cent of all workers by the end of the period.

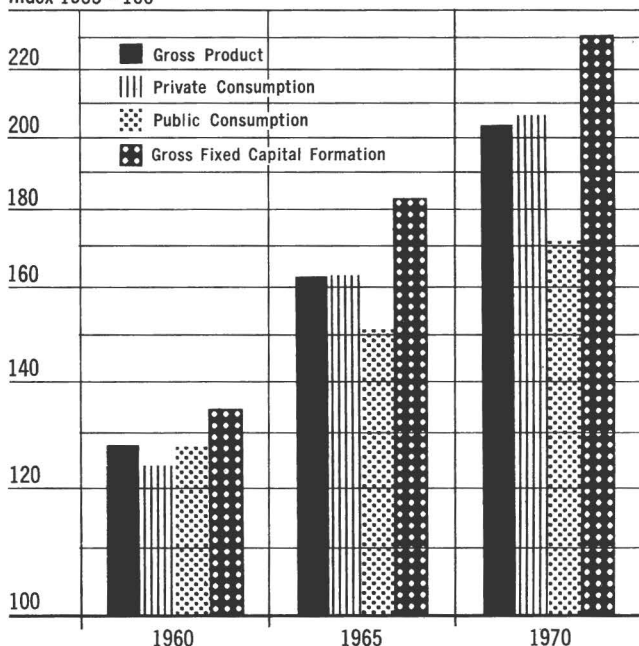
**Private consumption:** The Commission expects the private citizen's share of the Community's gross output to rise throughout the period under consideration. It forecasts that personal expenditure will increase by 61-67 per cent (compared with 53-59 per cent for gross product) from 1960 to 1970. This means an increase from the 1960 amount of \$110.5 billion to a possible \$184.4 billion.

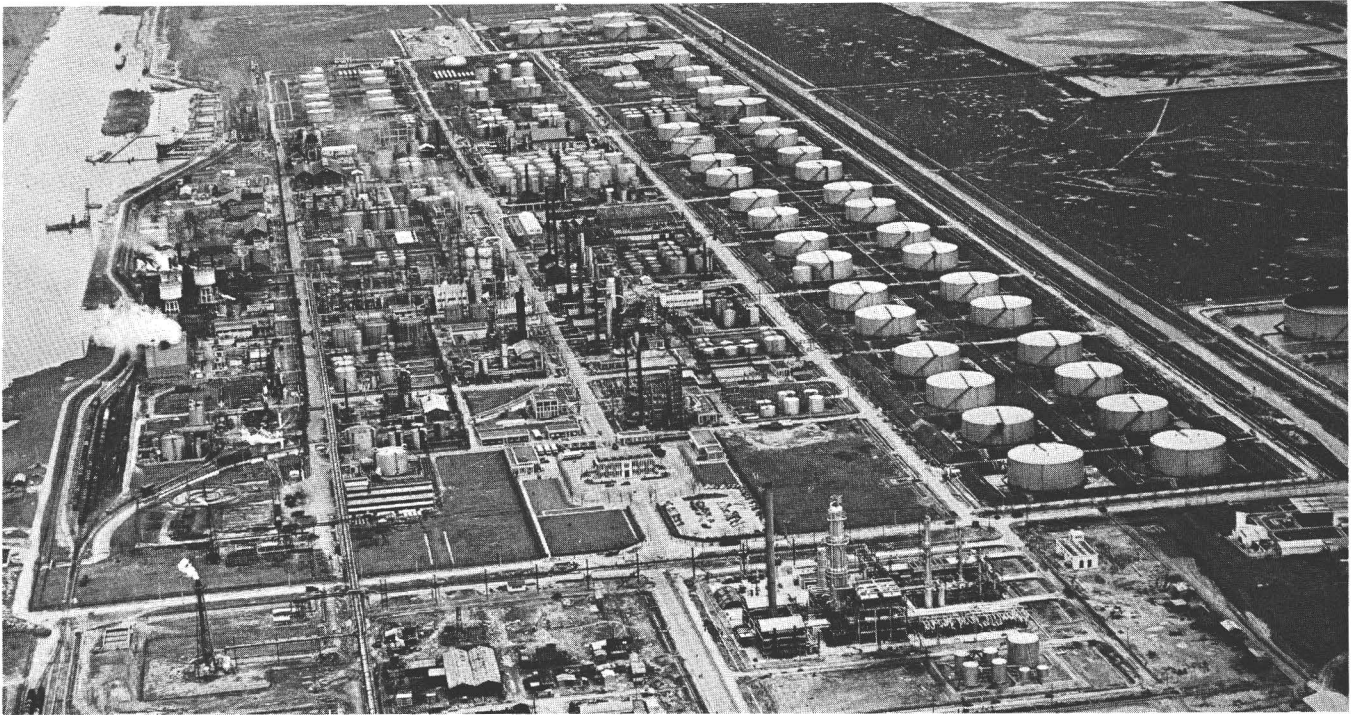
**Public expenditure:** Total public expenditure in the Community is expected to rise by 29.5-34.4 per cent in the ten-year period. A decline relative to other forms of expenditure is likely, however; from 13.9 per cent of gross product in 1960, public spending is likely to drop to 11.8 per cent of output in 1970.

**Capital formation:** The Commission predicts that investment in fixed capital is expected to rise by 58-68.5 per cent in the ten-year period—from \$38.2 billion in 1960 to between \$60 and \$64 billion in 1970. The larger figure would represent an increase of 1.2 per cent in the proportion of the gross product employed in this sector (from 21.2 per cent in 1960 to 22.4 per cent in 1970).

## Development of Gross Product and Expenditure in the Common Market (1955-70)

Index 1955=100





Refinery of the Société Française des Pétroles BP, located in Normandy.

## COMMUNITY OIL NEEDS UP 50% BY 1965

ONE OF THE AIMS of the common energy policy proposed for the European Community is the establishment of an open market for oil by 1970. A first step toward this was taken recently when the six member governments of the Community agreed to exchange information regularly on oil industry topics.

A contribution to these discussions was made by the Common Market Commission in the form of a recently published report on likely trends in the oil industry up to 1965.<sup>1</sup>

According to the report, consumption of oil products in the Community, including bunkering services, is expected to reach some 163.4 million metric tons in 1965, compared with 111.8 million in 1961 and 96.2 million in 1960. The Commission forecasts that oil consumption will rise by an average annual rate of 11.2 per cent during the first five years of this decade, compared with 13.4 per cent a year between 1955 and 1960.

Community exports of refinery products, which are of particular importance to some member countries, are not expected to change greatly. The report forecasts that total exports in 1965 will be 13.2 million tons, compared with 10.8 million tons in 1960 and 13.8 million in 1961.

Refinery output will have reached some 176.6 million tons by 1965, the report states. Allowing for wastage and refinery consumption, this corresponds to an annual throughput of about 192.5 million tons of crude oil.

### **Refineries Keep Up With Demand**

The capacity of Community refineries, which was 131.5 million tons in 1960, should reach between 213 and 215 million tons by 1965, according to the report. This would

represent an average annual expansion of between 10 and 10.2 per cent for the five years. The expected increase in capacity therefore corresponds fairly closely to the growth in consumption which has been forecast.

The report admits to some uncertainty about its forecasts for refinery capacity, owing to the varying degrees of national control over oil industry investments. In Germany, Belgium, Holland, and Luxembourg, for example, there is no government control, and companies are not obliged to advise the authorities on their investment projects. Figures for these countries (66.0 and 24.6 million tons by 1965 for Germany and Holland respectively and 13.7 million tons for Belgium and Luxembourg combined) are therefore based only on the projects which will definitely be in production by 1965.

Forecasts for France (54-55 million tons of refinery capacity by 1965) include only investment projects already authorized by the Government, which, for the most part, will be complete by the end of 1963. Various other schemes, which could well be completed before 1965, have been announced by the companies but have not yet received official sanction.

The Commission expects the available refinery capacity in Italy to be in line with its forecast of 55-56 million tons by 1965. Some 53 million tons of this was accounted for in projects authorized by the Government up to December 31, 1961. Actual refinery capacity in Italy is considerably in excess of these figures, however, as Italian law obliges refineries to maintain a 30 per cent reserve capacity. This may be used solely on Government authority, which is given only in exceptional circumstances.

### **New Pipelines to Be Operated**

In the near future (sometime in 1963) two new long-distance pipelines will come into service in the Community. One will carry crude oil from the port of Lavéra

<sup>1</sup> *Investissements dans l'Industrie Pétrolière de la Communauté (Situation au 1er janvier 1962)*, Rapport adopté par les hauts fonctionnaires nationaux responsables de la politique pétrolière le 12 juillet 1962.

	1960		1961		1962 (Estimated)	
	Million tons	% of total supplies	Million tons	% of total supplies	Million tons	% of total supplies
Community production	11.5	9.4	12.5	9.0	13.9	9.3
Imports from the Sahara	8.6	7.1	15.6	11.3	21.0	13.9
Other imports:						
Western Hemisphere	8.3	6.9	11.4	8.2	12.0	8.0
Africa, excluding Sahara, Algeria and Egypt	0.3	0.2	0.4	0.3	3.0	2.0
Near and Middle East, including Egypt	85.2	70.7	90.1	65.1	92.6	61.6
Far East	1.6	1.3	1.1	0.8	1.0	0.7
Communist countries	5.2	4.3	7.4	5.3	6.8	4.5
Others	0.1	0.1	—	—	—	—
Total imports	100.7	83.5	110.4	79.7	115.4	76.8
Total supplies	120.8	100.0	138.5	100.0	150.3	100.0

on the French Mediterranean coast to Strasbourg and Karlsruhe, with an extension to Ingolstadt in Bavaria. The other will run (part of the way through Swiss territory) from Genoa to Ingolstadt, with branches to Aigle in Switzerland and Heilbronn in Germany.

The Lavéra pipeline will have an initial capacity of 10 million tons of crude oil a year, rising eventually to 30 million tons a year. The line from Genoa will carry between 16 and 18 million tons a year.

The report states that, according to present indications, these two pipelines will supply half the additional refinery capacity coming on stream in the Community between 1961 and 1965. Long-distance pipelines already carry crude oil to 27 per cent of the Community's refineries, and the percentage of total capacity supplied in this way is likely to rise to 37 per cent by 1963.

### **Increasing Supplies from the Sahara**

A second Common Market Commission report,<sup>2</sup> which will also serve as a basis for intergovernmental discussions on the common energy policy, concerns Community oil

<sup>2</sup> *Importations dans la Communauté de Pétrole Brut et de Produits Pétroliers en provenance des Pays Tiers et plus particulièrement des Pays de l'Est en 1960 et 1961.*

imports. According to this report, total crude oil imports into the Community will amount to some 115.4 million tons in 1962, compared with 110.4 million tons in 1961 and 100.7 million in 1960.

Imports from sources other than the Sahara are playing a decreasing part in Community supplies of crude oil, the report says. As a result of rising production of crude oil in Europe and in the Sahara, imports from other sources will cover 76.8 per cent of total Community needs in 1962, compared with 83.5 per cent in 1960. Sahara imports have risen from 8.6 million tons in 1960 to an estimated 21.0 million in 1962.

The Middle East supplied 81.5 per cent (90.1 million tons) of the Community's crude imports in 1961, compared with 10.4 per cent (11.4 million tons) from the Western Hemisphere, notably Venezuela. Tonnages from both these areas are expected to total more for 1962.

Imports of finished petroleum products play a relatively small part in Community supplies—14.4 million tons in 1961 and an expected 15.9 million in 1962. Of these amounts, 6.2 million tons came from the Western Hemisphere in 1961, 3.7 million from the Communist countries, 1.8 million from the Middle East, and 1.5 million from other European sources. 🌿

## **More U.S. Uranium Supplied to Euratom**

Two contracts were signed at Euratom's Brussels headquarters on November 27 for the delivery of enriched uranium by the U.S. Atomic Energy Commission to the European Atomic Energy Community.

A third contract was signed at the same time under which the material will be made available by the Euratom Supply Agency to the Italian SENN company for use in its power reactor near Naples which will come into operation early next year.

Enriched uranium worth \$29 million will be supplied to this reactor over a 20-year period, and the U.S. AEC will buy from the SENN company up to 600 kg. of the plutonium produced by the reactor during a 10-year period, as well as unconsumed U235 in irradiated fuel elements. Under the latter provisions the SENN company can benefit from an assured U.S. market for these materials. The SENN reactor, the first included in the U.S.-Euratom Joint Power Program, is benefiting from Euratom aid toward construction and initial costs.

These contracts are the first long-term transactions en-

tered into by the United States for the supply of enriched uranium fuel for use in foreign reactors. The Euratom Supply Agency has taken delivery of the fuel in conformity with the principle laid down in the Treaty that it shall have the exclusive right to conclude contracts for the supply of special fissile materials produced in or imported into the Community. Similar contracts are under negotiation for the supply of U.S. fuel for the Franco-Belgian SENA project, which has also been included in the U.S.-Euratom power program.

The U.S.-Euratom contracts were signed by John Erlewine, U.S. AEC chief representative in the U.S. Mission to the European Community, and Fernand Spaak, Director-General of the Euratom Supply Agency.

The enriched uranium fuel is being supplied from the AEC's gaseous diffusion plants at Oak Ridge, Tennessee; Paducah, Kentucky; and Portsmouth, Ohio. It is being supplied at the same price as for domestic users. Uranium distributed abroad by the U.S. is subject to safeguards established to assure its use solely for peaceful purposes. 🌿

# COMMUNITY STEEL INVESTMENT UP 30 PER CENT IN 1962



THE VERY DIFFERENT ECONOMIC SITUATIONS of the two basic industries subject to the control of the European Coal and Steel Community are illustrated once again by the High Authority's annual survey of investment for 1962.

Capital expenditure in the Community's steel industries increased by 45 per cent in 1961 over the year before and was expected to show a further 34 per cent increase in 1962, when final figures are available.

Capital expenditure in the coal industry, on the other hand, rose by less than 2 per cent during 1961. Although the High Authority expects investment in this sector will have increased a little more than 16 per cent during 1962, its forecast for 1963 shows a new decline to about the 1960 level.

## *Iron and Steel*

**Rolled steel:** Investment in this sector during 1960 and 1961 shows a marked reversal of the trend in preceding years. From 1954 to 1959, capital expenditure fell from 41 to 33 per cent of the industry's total, but in 1961 it rose again to 46 per cent. In 1962, the report estimates, it will have accounted for very nearly half of total investment in the Community iron and steel industry.

**Steelmaking:** Capital expenditure on the traditional steelmaking processes (Bessemer, open-hearth and electric furnaces) was \$89.4 million in 1961—higher than in 1960 and 1959, about the same as in 1958, and lower than in 1957. In the electric-furnace sector alone, however, 1961 expenditure, at \$20.6 million, was an all-time record. The High Authority expects final figures for 1962 will show

further stagnation in the first two types of production and further expansion of electric-furnace output.

Capital expenditure on oxygen-blast steelmaking is rising steeply and now accounts for about 50 per cent of the total expenditure on new steelworks, compared with 17 per cent in 1959. Of a 19 million-ton increase in steelmaking capacity which the High Authority predicts for the Community over the next four years, some 18.8 million tons are expected to be produced by the oxygen process. Increased production by electric furnaces will be mainly at the expense of Bessemer furnaces.

Total crude steel production capacity in the Community was 79.9 million metric tons in 1961 (actual production, 73.2 million tons). This will rise by an annual average of 5.5 per cent to 98.9 million tons in 1965, the report forecasts.

**Pig-iron:** Although new investment in this sector now takes a smaller share of over-all capital expenditure in the industry (20 per cent in 1961, compared with 32 per cent in 1958-59), absolute expenditure remains high. In 1961 \$217.2 million was spent on pig-iron production, compared with \$172.2 million in 1960. The High Authority's forecast for 1962 investment in this sector, based on projects in progress or approved on January 1, 1962, was \$285.1 million.

Iron ore mined in the Community has increased from 65.3 million metric tons in 1952 to 95.9 million tons in 1961. This represents an average annual increase of 4.4 per cent. Current capital expenditure and that estimated for the next few years is insufficient to maintain this rate



of growth, however. The report states that extraction potential will rise by an annual average of only 2½ per cent between now and 1965.

## Coal

**Mines:** Actual capital expenditure on coal extraction was \$234.2 million in 1961, according to the report. This compares with an average annual investment of \$249.8 million between 1954 and 1960. Investment per metric ton of coal produced remained at \$1.05 from 1952 to 1960, but fell to \$1.02 in 1961. Hard-coal production potential in the Community will rise from 246.8 million metric tons in 1961 to 248.0 million in 1965, the report states.

**Pithead power stations:** Capital expenditure in this sector, which includes power stations owned jointly by mining companies and other bodies, remains high. In 1961 it amounted to \$91.6 million, compared to \$93.7 million in 1960 and \$88.5 million in 1954. Output capacity of pithead generating stations in the Community was 3,406 Mw. at the beginning of 1961. The High Authority expects this to have risen to 11,547 Mw. by the beginning of 1966. In 1961, 61 per cent of all current produced in these installations was sold. The remainder was used by the mines themselves. 🌿

## British-ECSC Negotiations Continue

The negotiations at ministerial level between Great Britain and the European Coal and Steel Community regarding British membership were continued in Luxembourg on November 19 when Lord Privy Seal Edward Heath met ministers from the six member countries for the third time.

After the ministerial meeting of October 4, when the Six replied to Britain's opening statement, five meetings between British and Community deputy delegations were held.

Britain has declared her acceptance of the Paris Treaty, but the negotiators have recognized that the integration of Britain's coal and steel industry with that of the Community would require detailed comparison of the two structures. It has been agreed that the powers of the British Iron and Steel Board and the National Coal Board would have to be examined.

British coal production, totaling about 190 million tons a year, is entirely under the control of the National Coal Board. The Community, whose total coal production stands at about 230 million metric tons, has no comparable organization. Structural modifications to the British coal industry may therefore have to be considered, in light of the Treaty's rules on competition and avoidance of distortion in the common market for coal. 🌿

## ECSC Finances Research for Coal and Steel

The European Coal and Steel Community has decided to contribute to a series of research projects on modernization techniques for the Community coal and steel industries. The decision, taken on October 10, stresses the need for promoting scientific and technical research into ways of continuously improving production methods in the ECSC industries, if necessary by complete overhaul.

Research projects recently approved by the High Authority include:

1. A research project in Belgium into automation methods in reversing mills, for which \$266,000 was allotted. This project is related to two others already being maintained in France and Germany. Total funds provided by the High Authority for research in this field amount to \$1,526,000 over a period of five or six years.
2. Research on blast-furnace improvement (\$525,000). This program will ensure the continuation of research on low-shaft furnaces, for which the High Authority has already provided \$2.95 million since 1957.
3. Research into means of increasing the use of pulverized coal in blast furnaces (\$497,100).
4. Research on package water-tube boilers fired by pulverized fuel (\$135,749). This could ensure the wider use of coal in small power plants with automatic fuel-feed and combustion control.
5. Physico-chemical experiments at laboratory and semi-industrial level on means of de-sulphurizing smoke from coal fires (\$192,050).
6. Research on the use of a continuous miner for high-speed roadway construction in iron-ore mines (\$30,000).

The Community has also approved a project for research on sudden outburst of fire damp in Dutch mines. The High Authority will provide \$102,490 for this project, which is connected with other research on safety in mines and on the elimination of fire-damp and toxic gases. 🌿

## Germany to Maintain Coal Import Quota

The High Authority of the European Coal and Steel Community has recommended that the Government of the Federal Republic of Germany maintain a duty-free quota of at least six million metric tons for import of coal from non-Community countries in 1963.

In making the recommendation, the High Authority stated that reasons for continuing present tariff protection for German coal were still valid, as German coal market conditions have not materially improved this year.

The High Authority's recommendation came after the German Government had indicated its intention of presenting the Bundestag with a bill which would maintain the present duty of 20 Deutsche marks per metric ton of coal imported from non-Community countries throughout 1963 and 1964. The bill lays down a duty-free quota of 12 million tons for this period.

The High Authority pointed out to the German Government that, as the "Memorandum on Energy Policy" of June 25, 1962, proposes that the first measures for a common energy policy should come into force on January 1, 1964, it cannot provide a recommendation that would remain valid for the two years of the German Government's bill. The High Authority therefore noted with satisfaction that the new tariff bill would allow the German Government to make any necessary changes required by the adoption of a common energy policy during this period.

In considering the question of German coal imports, the High Authority also took note of the fact that the coal used by American troops stationed in Germany is entirely made up of duty-free imports from the United States and that these imports are not governed by the duty-free quota. 🌿

## Britain and Euratom Negotiate

Negotiations at the deputy minister level on Great Britain's application for membership in the European Atomic Energy Community began November 21.

The negotiations opened officially on November 14, when the Euratom and British ministerial delegations met in Brussels to hear the Community's reply to Lord Privy Seal Edward Heath's speech of July 3 regarding Britain's application for membership.

H. R. van Houten, heading the Community's negotiating team, said that "by acceding to Euratom, the United Kingdom will automatically benefit from the results of our Community efforts."

"Consequently," he said, "our six governments have noted with satisfaction that the British Government, for its part, is prepared to make a very large contribution to the development of research in the Community and will be glad to let the Community benefit from the experience gained by the United Kingdom. They attach particular importance to this undertaking in view of the long history and the scope of the British effort."

"It will be possible," Mr. van Houten added, "to settle the problems which may arise from this accession by means of protocols or statements, which cannot, however, change the impact and spirit of the Treaty."

Speaking of the limits of the Treaty's field of application in the military sector, Mr. van Houten said that military programs are the responsibility of the member states and the Treaty cannot hinder the realization of military atomic programs. "The Treaty can only be applied in a non-discriminatory manner between member states," he said, "whether or not the latter have a national atomic energy program for military purposes."

Euratom Commission President Pierre Chatenet declared that the Commission's principal aim in the negotiations would be to ensure that arrangements reached would most appropriately combine the financial and technical efforts of Euratom and the member countries with those of the United Kingdom for the benefit of the enlarged Community.

M. Chatenet said that the Commission shared the reserve expressed by the Council regarding any protocols revising the Treaty. On the military question, he said, "the intelligent application of the Treaty should enable all problems which might arise in this sector to be resolved."

## EEC Agrees to Negotiate with Ireland

The way is now open for talks between the European Economic Community and the Irish Republic, following the Council of Ministers' formal acceptance on October 25 of Ireland's application to negotiate for full membership in the Community.

The Irish Government has said that its proposals for

special treatment are very limited and that it has already accepted "without reservation" the political implications of membership.

In its preliminary discussions with the Common Market Council of Ministers, the Irish Government offered to reduce tariffs on Community goods, if its application is accepted, by 15 per cent on entry; 10 per cent on January 1 of 1964, 1965, and 1966; 15 per cent on January 1 of 1967, 1968, and 1969; and 10 per cent on January 1, 1970.

In preparation for possible membership, the Republic of Ireland announced unilateral tariff reductions on certain goods (linen goods, furniture, electric motors, and paints) manufactured in Northern Ireland. These cuts were arranged through negotiations with Northern Irish manufacturers, and the Government is considering further reductions.

Meanwhile, the Irish Government has said it is prepared to assist any manufacturers who wish to launch industrial enterprises in Ireland by offering incentives such as special tax arrangements and cash grants to aid in starting factories. These incentives, according to Irish Minister of Industry and Commerce John M. Lynch, who visited New York City in November, are available to manufacturers from non-Community countries, and any agreements concluded before Ireland became a Common Market member would be continued, even if after membership Ireland should find it desirable to "taper off" in offering such incentives.

## Common Market Holds Trade Talks with Israel

The opening of talks between the Common Market and Israel on November 26 represented the first time the European Community has attempted to arrive at a commercial agreement with a non-member country, other than within the framework of GATT. (The Community's other such negotiations have been conducted with a view to an association agreement or an agreement on full membership.)

Talks with Iran, similar to those with Israel, will also be held in the near future.

## Cyprus Asks for Association

The Government of Cyprus has decided to ask for association with the Common Market. Its decision makes the island the first Commonwealth country other than Britain formally to seek a direct link with the European Community.

The application asks the Six to decide the terms on which Cyprus would be accepted as an associate member. The French, Italian, and Belgian Governments have already indicated their willingness, in principle, to back the request. The application would be withdrawn, however, the Cypriot Government has stated, if Britain's negotiations for full membership in the Community were not successful.

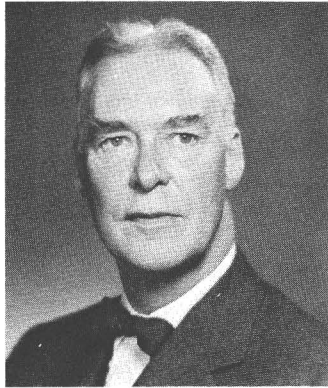
## Common Market to Unify Drug Regulations

A first draft directive on the standardization of laws and regulations governing pharmaceutical products was submitted to the Common Market Council of Ministers by the EEC Commission in mid-November.

The directive outlines steps toward standardization of regulations for granting licenses to authorize the sale of

branded pharmaceuticals and also of regulations on labeling.

At present manufacturers must comply with different requirements affecting public health and safety, testing, advertising, patentability, and other qualifications in each of the Common Market countries. The ultimate aim is to make it possible for pharmaceuticals to be sold under the same conditions in all the member countries, thus benefiting both consumers and manufacturers.



## Herter Appointed to Top Trade Position

Christian A. Herter was sworn in as the new U.S. Special Representative for Trade Negotiations on December 10.

President Kennedy announced on November 15 his intention to appoint Mr. Herter to the position, established under the Trade Expansion Act of 1962.

Mr. Herter, a Republican and former U.S. Secretary of State (1959-61), recently collaborated with William L. Clayton on a special report for the Joint Economic Committee of Congress, *A New Look at Foreign Economic Policy*, which was a preliminary to the presentation of the Trade Expansion bill. The new post carries the rank of ambassador.

Mr. Herter's deputy, William T. Gossett, formerly a vice president and general counsel of the Ford Motor Company, was sworn in with Mr. Herter.

## Draft Patent Convention Published by EEC

A preliminary draft convention for a European patent law was published on November 14.

Based on proposals submitted by a working party on patents established by the Common Market Commission and the member states, the draft convention was issued by the secretaries of state responsible for industrial property rights, who, under the chairmanship of Commissioner Hans von der Groeben, have been working since November 1959 toward the creation of a single Community-wide patent law.

The draft convention provides for the creation of a European system of patent law and the granting of European patents valid in all member states. A European patent office would be created as joint administrative authority for the member states. A common judicial authority, the European Patent Court, would also be established. The draft convention does not impair the right of the member states to grant patents.

Publication of the draft convention gives the governments, the Commission, and other interested parties an opportunity to study it. It is expected that a final text can be submitted to the member states for signature at the beginning of 1964. Regulations to implement the convention and

a general agreement to provide common rules for establishing and operating the necessary institutions are also to be prepared.

Copies of the preliminary draft of the convention (French-German edition, \$1.40) are available at the European Community Information Service, 235 Southern Building, Washington 5, D.C.

## EEC Commission Publishes Monetary Report

The Commission of the European Economic Community has recently published in book form the results of an inquiry into the instruments of monetary policy in the six member states of the Community.

The 280-page report is the result of a joint work over the past year by the central banks of the member states and the Commission's Directorate General for Economic and Financial Affairs.

It is divided into chapters on individual countries, with a comparative review of the instruments of monetary policy—in particular, discount, minimum reserve, and open-market policy—and of Treasury transactions which influence the liquidity of business and banking circles. The comparative review also discusses the relation between the government and the central bank, as well as the structure of the banking system in each member country.

The report has been issued in the four official languages of the Community, and an English edition is being prepared. The French-language edition (*Les Instruments de la Politique Monétaire dans les pays de la Communauté Economique Européenne*, 279 pages, \$4) may be obtained now at the European Community Information Service, 235 Southern Building, Washington 5, D.C. The English edition is expected to be available, also at \$4, soon.

## Bids To Be Issued on African Construction

The Office of the Transcameroon Railways at Yaoundé, Federal Republic of Cameroon, will issue an invitation for bids for construction of a 330-km. (205-mi.) section of the railroad between Yaoundé and Goyoum, which is the first development project financed jointly by the United States' Agency for International Development and the European Community's European Development Fund. France is also participating in the \$35-million project.

Two invitations will be issued for bids, which will be restricted to firms or groups of firms from the U. S. and from the member and associated countries of the European Community.

One invitation, for the procurement of the cross-ties (steel, wood, steel-concrete mixture), will be sent about April 1. For the remainder of the job including procurement of the rails, an invitation was scheduled to be issued about January 15, requiring interested firms to submit qualifications. The firms whose qualifications make them eligible to bid will be notified after May 31, and will be required to submit their bids within four months from the date on which the bid documents are sent.

Construction should begin at the end of 1963 and should be completed in about three years. Interested firms may obtain additional information in the U.S. from: Office of Capital Development and Finance, Bureau of Africa and Europe, Agency for International Development, Washington, D.C.

## PUBLICATIONS AVAILABLE

PROGRÈS TECHNIQUE ET MARCHÉ COMMUN. Proceedings of a conference held in Brussels December 5-10, 1960. Discusses economic and social perspectives of application of new techniques such as mechanization, automation, and nuclear progress. Two volumes, 354 and 736 pages; EEC, ECSC, EAEC; 1962. . . . \$8.00

REVENUS DES OUVRIERS CEE — 1959. (*Statistiques Sociales 1962, No. 3*) Statistical office of the European Communities, 144 pages. . . . \$1.50

LES INSTRUMENTS DE LA POLITIQUE MONÉTAIRE DANS LES PAYS DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE. The results of an inquiry into the instruments of monetary policy in the Member States. EEC, August 1962, 279 pages. . . . \$4.00

RAPPORT GÉNÉRAL DES SOUS-GROUPES A, B ET C CRÉÉS POUR EXAMINER DIFFÉRENTES POSSIBILITÉS EN VUE D'UNE HARMONISATION DES TAXES SUR LE CHIFFRE D'AFFAIRES. Report of EEC committees in cooperation with fiscal experts from the Member States. European Economic Community, January 1962, 165 pages. . . . \$1.20

EURATOM, THE EUROPEAN ATOMIC ENERGY COMMUNITY. General information, illustrated. European Community Press and Information Service, 1962 edition, 32 pages. . . . free

RÉGIME JURIDIQUE DES TRANSPORTS FERROVIAIRES, ROUTIERS ET FLUVIAUX DANS LES ÉTATS MEMBRES DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE. A general survey of legislation in the member countries. Situation as of July 1, 1962. EEC, 409 pages. . . \$3.70

AVANT-PROJET DE CONVENTION RELATIF À UN DROIT EUROPÉEN DES BREVETS ÉLABORÉ PAR LE GROUPE DE TRAVAIL "BREVETS." A draft convention on a European patent law prepared by EEC and member-country experts. 1962, 107 pages (French/German text) . . . \$1.40

THE FIRST STAGE OF THE COMMON MARKET. Report on the execution of the Treaty of Rome, January 1958-January 1962. European Economic Community, July 1962, 121 pages. . . . \$ .80

THE ASSOCIATION OF THE AFRICAN STATES AND MADAGASCAR WITH THE EEC AND THEIR INDUSTRIAL DEVELOPMENT. Commission of the EEC, 1962, 18 pages . . . free

THE RIGHT OF ESTABLISHMENT AND THE SUPPLY OF SERVICES. Information Service of the European Communities, November 1962, 12 pages . . . free

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