



# *europa* *community*

COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM

## GATT TARIFF-CUTTING PRINCIPLES AGREED AT GENEVA

### EEC, U.S. Compromise; Committees to Work out Details

A TRADE NEGOTIATIONS COMMITTEE is to work out a detailed plan for the multilateral trade negotiations to be conducted next year within GATT (General Agreement on Tariffs and Trade), now that a basis for agreement has been reached between the United States and the European Community.

The committee, composed of representatives of GATT participating countries, will also supervise the conduct of the negotiations themselves, which are to begin on May 4, 1964.

After six days of hard bargaining at the GATT meeting in Geneva, both the European Community and the United States made concessions in order to reach agreement May 21 on negotiating principles. The committee and other special groups were delegated to complete plans to carry out the principles of the Geneva agreements.

The committee is to have a more detailed outline of the negotiating plan by August 1 and to have the complete plan ready by the start of the twenty-first session of GATT on October 22 of this year.

Special groups are also to work on plans to expand world trade in commodities. Two groups—one on cereals and one on meats—are beginning their assignments, and a similar group on dairy products is to be established.

Under the most-favored-nation clause of GATT, tariff reductions effected between the United States and the Community will be applied to all 50 member countries of GATT.

### 'Six Days of Hard Bargaining'

The May 21 agreements (see below) were reached only after hours of intense discussion. The U.S. representatives, in response to the Community's assertion that some U.S. tariffs are exceptionally high compared with Community tariffs, agreed that these "peak" tariffs should be dealt with according to special arrangements when the negotiations proper begin.

It was agreed that these special arrangements be worked out by the Trade Negotiations Committee.

(The Community had estimated that a straight reduction of 50 per cent for all existing tariffs on both sides would leave less than one per cent of the Community's tariffs over 15 per cent, while 20 per cent of U.S. tariffs would remain over 20 per cent.)

The Community, for its part, agreed with the United States that, in general, tariff cuts should be made by the linear method, or "across the board." In this way, tariffs on large groups of products would be cut by a fixed percentage instead of negotiating each item separately. Only peak tariffs, where the discrepancy between existing U.S. and Community tariffs is particularly great, would be excluded from this system.

### Agriculture to be Included

These mutual concessions broke the deadlock between the Community and the United States which had earlier threatened the talks.

The representatives at Geneva also discussed the place of agricultural products in the 1964 negotiations and the special trade problems of the developing countries.

It was agreed that farm products would be included in the negotiations, but that they would probably be treated differently from industrial products.

On the issue of measures to increase the trade of developing countries, the Community approved, in principle only and with reservations, the general aims of a program advanced by 21 developing nations and accepted by all the other highly industrialized nations. This program involved, among other things, duty-free entry for tropical products and eventually for all primary products; the gradual removal of quotas on the exports of developing countries; and gradual

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removal of all internal and fiscal taxes on products coming wholly or mainly from the developing countries (notably cocoa and coffee).

The Community maintained that more than the liberalization of trade was needed to benefit the developing nations—in particular, better organization of world markets and the stabilization of prices. Moreover, full application of the program would end the preferential system which the European Community is pledged to maintain for the 18 independent African countries associated with it.

Although the aim of the Geneva meeting was a technical one—to decide the basic principles on which the tariff negotiations proper will be conducted—the spirit of compromise finally shown by both the Community and the United States gave hope that obstacles to world trade could be substantially reduced in 1964. Many crucial problems remain to be solved, however, both before and after the negotiations begin next year. As German Economics Minister Ludwig Erhard said at Geneva: “We have agreed on the shell of the egg, but what the egg will contain we do not yet know.”

## Text of Resolution Unanimously Adopted by GATT Ministerial Conference, May 21, 1963

### A. Principles

1. That a significant liberalization of world trade is desirable, and that, for this purpose, comprehensive trade negotiations, to be conducted on a most-favored-nation basis and on the principle of reciprocity, shall begin at Geneva on 4 May 1964, with the widest possible participation.
2. That the trade negotiations shall cover all classes of products, industrial and non-industrial, including agricultural and primary products.
3. That the trade negotiations shall deal not only with tariffs but also with non-tariff barriers.
4. That, in view of the limited results obtained in recent years from item-by-item negotiations, the tariff negotiations, subject to the provisions of paragraph B 3, shall be based upon a plan of substantial linear tariff reductions with a bare minimum of exceptions which shall be subject to confrontation and justification. The linear reductions shall be equal. In those cases where there are significant disparities in tariff levels, the tariff reductions will be based upon special rules of general and automatic application.
5. That in the trade negotiations it shall be open to each country to request additional trade concessions or to modify its own offers where this is necessary to obtain a balance of advantages between it and the other participating countries. It shall be a matter of joint endeavor by all participating countries to negotiate for a sufficient basis of reciprocity to maintain the fullest measure of trade concessions.
6. That during the trade negotiations a problem of reciprocity could arise in the case of countries the general incidence of whose tariffs is unquestionably lower than that of other participating countries.
7. That, in view of the importance of agriculture in world trade, the trade negotiations shall provide for acceptable conditions of access to world markets for agricultural products.
8. That in the trade negotiations every effort shall be made to reduce barriers to exports of the less-developed countries, but that the developed countries cannot expect to receive reciprocity from the less-developed countries.

### B. Procedures

1. That a Trade Negotiations Committee, composed of representatives of participating countries, shall be set up, and that it shall be the function of the Trade Negotiations Committee, directly or through committees (including the Special Groups referred to in paragraph 3(d) below):

- a. To elaborate a trade negotiating plan in the light of the principles in paragraphs A 1-8 above, with a view to reaching agreement on the details of the plan of tariff reductions referred to in paragraph A 4 above by 1 August 1963, and to completing the remainder of the task by the date of the beginning of the twenty-first session of the Contracting Parties (i.e. October 22, 1963).

- b. To supervise the conduct of the trade negotiations.

2. That the trade negotiating plan will have to take into account the issues raised by the Ministers, and that the acceptability of the trade negotiating plan, from the point of view of individual countries, will depend upon the degree to which it succeeds in dealing with such issues.

3. That the Trade Negotiations Committee, in elaborating the trade negotiating plan, shall deal *inter alia* with the following issues and special situations:

- a. The depth of the tariff reductions, and the rules for exceptions.

- b. The criteria for determining significant disparities in tariff levels and the special rules applicable for tariff reductions in these cases.

- c. The problem for certain countries with a very low average level of tariffs or with a special economic or trade structure such that equal linear tariff reductions may not provide an adequate balance of advantages.

- d. The rules to govern, and the methods to be employed in, the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products. Since cereals and meats are amongst the commodities for which general arrangements may be required, the Special Groups on Cereals and Meats shall convene at early dates to negotiate appropriate arrangements. For similar reasons a special group on dairy products shall also be established.

- e. The rules to govern and the methods to be employed in the treatment of non-tariff barriers, including *inter alia* discriminatory treatment applied to products of certain countries and the means of assuring that the value of tariff reductions will not be impaired or nullified by non-tariff barriers. Consideration shall be given to the possible need to review the application of certain provisions of the General Agreement, in particular Articles XIX and XXVIII, or the procedures thereunder, with a view to maintaining, to the largest extent possible, trade liberalization and the stability of tariff concessions.



# IN ITALY, QUESTIONS . . .

## AND ANSWERS by Emilio Colombo,

Italian Minister of Industry and Trade,

interviewed April 2 by the Italian weekly *Epoca*

**Q:** *It is a commonly held opinion that the Brussels talks [between Britain and the Common Market on Britain's application for membership] were interrupted only because France feared that they were about to be concluded positively.*

**A:** This does not seem true to me. Had this been the reason, there would have been no need for such a violent and immediate break-off. Negotiations had progressed noticeably, but a large number of problems were still unresolved, and France could easily have taken one of those unsettled problems as a pretext for stiffening her attitude and eventually closing the gate to further negotiations. It is true, instead, that the need for economic negotiations to precede and even influence the evolution of integration on a political and common-defense level has always been stressed in the past. And it is just because of these ampler aspects of the European problem that a crisis of mistrust arose. [This] crisis lies at the basis of the failure.

**Q:** *Then I must assume that Europe's subsequent course and Great Britain's entry into the Common Market should be viewed in the broader framework of Atlantic reinforcement and of the organization of the Western world as a whole?*

**A:** Precisely. The processes of Western reorganization and, as a consequence, European unification itself—at first conceived in successive phases—were sped up both by the Common Market's amazing progress and the policy of the new United States Administration. Without damaging the achievements attained so far, and fully prepared to cope with the increased responsibilities facing us, we should follow the only course open today: that of basing the Atlantic Alliance on a politically and economically united Europe, as well as on the United States of America. It should be recalled that, in his statement of July 1962, President Kennedy asserted that the Atlantic Alliance, established by a few independent nations, was placing special responsibilities on the U. S., and that the relationship within the Alliance would have been quite different between the United States and a strong and united Europe.

**Q:** *It appears to me that we are moving toward an entirely new approach to the European problem.*

**A:** Yes, indeed. Today the European problem, including the adhesion of Great Britain to Europe, is being entirely re-viewed, no longer on an economic basis only, but also from

a political and common-defense standpoint. And, in view of this more comprehensive approach, each of the countries involved is expected to make renunciations and assume new responsibilities; it will therefore be necessary that we continue our efforts toward Great Britain's unification with Europe, in the hope that the objective difficulties which that country is bound to encounter—especially at this time—may eventually be overcome.

On the other hand, I believe that the process of economic integration between the Six ought to be continued without respite. As to the more political aspects of the matter, I think it would be desirable that we set ourselves a goal which should reconfirm the common and democratic nature of the construction started. I am thinking, for instance, of a fusion of the European Communities' executives and also of the election by direct vote of the European Parliament.

**Q:** *In this framework, what would be the task of the Common Market?*

**A:** The supporters of a united Europe have always considered the Common Market an indispensable step toward creating the foundations of a political federation. The political concept on which the Common Market was built is, in fact, relatively simple and evident: a customs union could not be achieved without an economic union, and an economic union could hardly be attained without a political one. Hence the necessity not only to defend the Common Market but also to develop it in all its virtues, so as to enable this sound and potential element fully to meet its obligations, especially now when the unification process seems to be marking time.

**Q:** *I see. But Italy? What is Italy's position in this broad-range design?*

**A:** We must remain faithful to our European ideals and continue to act constructively. Among the European countries Italy is one which has suffered enormously due to the foolish adventures of nationalism, and she would in all likelihood suffer again, should such nationalism revive or should the division of Europe and the West grow deeper.

We should always bear in mind that in Italy the problem of Communism is not merely a matter of international policy. If democracy has survived in Europe and in Italy, it is because we have devised an alternative to Communism—not only as far as the economic policy is concerned, but also regarding foreign policy. If we should destroy our hope of creating Europe and admit that the path leading to European

construction has broken off, we should also have destroyed this great alternative in which many Italians—and especially the younger generation—have placed their trust; and we should also have made a present to Communism.

**Q:** *Do you actually believe that these concepts are so firm, so certain in the minds of the new generation?*

**A:** Yes, I do. Young people feel quite strongly the European ideal. Italy could accomplish an important task by proving that for Europe and for the West—and in particular for our country—there is no other course left than that of constructing an economically and politically united European Community associated with the United States within the framework of the Atlantic Alliance. We should defend

and do our utmost to further the idea of a free and democratic, as well as truly unified, Europe, not handicapped by the prevailing or exclusive will of this or that country, but inspired to the principle of equality among nations—which is actually the new spirit that has emerged in Europe after the bitter experience of the last world war.

**Q:** *In other words . . . confidence!*

**A:** Yes, confidence in a European Community which should include Great Britain and be characterized by integrative links in the economic, political, and military sectors—a Community that should, naturally, be closely associated with the United States of America within the framework of the Atlantic Alliance. . . .

## WHAT IS 'SYNCHRONIZATION' ?

### Germany's Schroeder Proposes 'Balanced Development' of Community

DR. GERHARD SCHROEDER, German Minister for Foreign Affairs, proposed in a statement on April 2 to the one hundredth session of the EEC Council of Ministers that the Community member governments adopt a policy of "synchronization" as a means of breaking the deadlock within the Community following suspension of the Community-British negotiations in January.

On the basis of his proposals, the Council requested the six Permanent Representatives of the member states to draw up a working program, now known as the "Borschette Plan" (see page 11).

"This has been the best day's work we have done for a very long time," Eugène Schaus, current chairman of the Council of Ministers, said of the April 1-2 meeting. "The ice has been broken and, to some extent, we have beaten the crisis. This session marks the beginning of a new stage in the progress toward a politically and economically united Europe."

What were Dr. Schroeder's proposals? And what is synchronization?

One definition of synchronization would be: the equalization, or sharing, of the effects of Community actions in the individual member countries. Or it might be described as a golden rule on a practical basis of give and take.

In introducing his concept, Dr. Schroeder said that the internal discord of the Community following suspension of the negotiations for British entry threatened the Community's political will, and "we know that an indispensable prerequisite to the process of economic integration is a constantly renewed political will."



*Dr. Gerhard Schroeder*

He put as the first principle of future action "the harmonious development of the process of integration—that is, the implementation, as balanced as possible, of the Treaty of Rome in all fields which are covered by this Treaty."

"Developments up to now," he said, "have proceeded irregularly. We can point to gratifyingly great progress in certain fields, but we must admit that other spheres have remained considerably retarded. It is essential that this leeway in some fields be made up. To name one markedly retarded sphere, I would point out that the field of external relationships has remained underdeveloped."

The Commission's action program for the second stage should in general form the basis of the Community's future procedure, he said.

### 'Synchronize' for Development of Unified Community

"In my opinion," the Dr. Schroeder said, "we should equalize as far as possible the advantages and disadvantages of the measures of the Community as applied to the separate member states. We cannot embark upon a system of advance concessions to be made notably by those countries which have already made considerable concessions up to now."

Using his own country as an example, the German Minister continued: "We have, for example, dispensed with contractually secured rights such as quota restrictions and minimum prices. We have undertaken considerable financial burdens. . . . But we have not experienced what was for us the internal and external prerequisite for this advance concession, namely the fulfillment of our hopes for the expansion of the European Economic Community."

Thus far, he said, emphasis had been put on furthering relations with the African countries (with which France and also Belgium have had special ties), and "certain states of the Community have made great sacrifices in favor of non-European countries in which the Community states hold widely different special interests."

"Germany for her part demands for the future not what the French term '*préalables*,' but a synchronization of the work, to the effect that the expectations of the individual member states should as far as possible be equally met," said Herr Schroeder.

Another principle emphasized by the German Minister was "the necessity of a concrete program" consisting of those questions considered important by the majority of the member states.

### Fusion of Executives Proposed

Dr. Schroeder proposed that the first internal problem to be solved is fusion of the executives of the three Communities—combining the Commissions of the Common Market and Euratom and the High Authority of the Coal and Steel Community. Such action, he said, is favored by European parliaments and numerous European political leaders and "would be highly desirable at the present time as a sign of the wish to overcome the crisis by strengthening the Community."

"The measures necessary for this have to a large extent already been prepared," the German Minister said. "All that is required, therefore, is a political decision."

He also urged the strengthening of the European Parliament. This body, he said, "might be granted the right to decide upon the budget of the Community and . . . to decide upon treaties signed by the Community; later, measures such as direct elections might then be approached."

After expressing his support of a reduction in customs duties on July 1, Herr Schroeder stated that though the German Federal Government is in favor of continuing to develop a common agricultural policy, it believes that its pace should be slowed. (Later, French Foreign Minister Maurice Couve de Murville, replying to Dr. Schroeder, said that agriculture was a major factor in the impending GATT trade negotiations and that agreement between the Six in this field was therefore a prerequisite for their success.)

### 'Outward-Looking' Community Urged

Turning to external affairs, the German Minister said that the "Kennedy round" is for the immediate future "the most pressing problem of the Community." "The Community," he declared, "must keep its eyes directed outwards, both in its own interests as well as those of the rest of the free world—that is to say, in an over-all joint Western interest."

As to Britain: "Nothing should take place inside the Common Market which might unduly impede the later entry of Great Britain," Dr. Schroeder said. "We therefore think that we should begin now to carry on our deliberations in the light of the future presence of a seventh, eighth, ninth and tenth member, and to take our decisions accordingly."

"This means in practice," he said, "that we should maintain the contacts established by the negotiations which have only been interrupted, and that we should foster these contacts by means of consultations. . . . The question must be examined whether the European Economic Community should establish the same relationship of consultative association with Great Britain as already exists between the Coal and Steel Community and Great Britain [the agreement has been in force since September 1955]; the same applies possibly to the relationship between Euratom and Great Britain. If Great Britain is prepared to agree, the member states of the Community should also give their assent."

The best way of implementing contacts, he said, would be "in the form of periodical meetings between the six Permanent Representatives and the British Representative in Brussels, or in a subcommittee of the Western European Union." These contacts could prepare for the entry of Britain "by



*Edward Heath, Britain's Lord Privy Seal, received on May 23 the Charlemagne Prize of the City of Aachen for his "efforts for unity and his faith in the destiny of Europe." Chief negotiator in Britain's bid for membership in the European Community, Mr. Heath is the twelfth recipient and, aside from Sir Winston Churchill, the only Briton to be chosen for the award.*

harmonizing Common Market and British measures in the appropriate fields."

The same procedure could be applied to Norway, Ireland and Denmark, he stated, adding that Denmark deserves special consideration. Austria, which he said apparently still wishes to pursue association negotiations, also deserves special attention in view of its situation between East and West, he added. Dr. Schroeder stressed the importance of Turkey as an ally and urged that negotiations for Turkey's association with the Community, "neglected up to now to an inexcusable degree," proceed.

### African Association Discussed

Turning to consideration of the Community's association with the African states, Dr. Schroeder said that Germany agreed that the renewal of the association treaty should be signed as soon as possible and that interim measures be put into effect meanwhile. He added, however, that "we think we are making a special sacrifice here," since Germany has reservations, both on the basis of its own interest or lack of special interest in continuing ties based on the past and because the treaty's drawback is that "it brings out again dividing lines in Africa which have been considered out of date."

In conclusion, Dr. Schroeder proposed that the Permanent Representatives be instructed to draw up a working program for 1963, taking into consideration the points that he had just outlined, and that the program be submitted to the next meeting of the Council of Ministers.

"We should clearly understand," he said, "that we cannot have genuinely progressive development unless this is inspired with the spirit of cooperation, and unless its practical consequences result in synchronized progress."

The Council then asked the Permanent Representatives, whose current chairman is Ambassador Albert Borschette of Luxembourg, to prepare a working program. Hence the "Borschette Plan," which the Council is now considering.

# A U.S. VIEW OF ATLANTIC PARTNERSHIP...

## Senator J. W. Fulbright Outlines Areas of Interdependence

*Senator J. W. Fulbright delivered the Clayton Lectures at the Fletcher School of Law and Diplomacy, Tufts University, April 29-May 1; Excerpts from the second in his series of three lectures, entitled "A Concert of Free Nations," are reproduced below:*

THE ATLANTIC CONCEPTION . . . is built on the premise that an international system based on unlimited national sovereignty has become an intolerably dangerous anachronism in the nuclear age, not only for small nations but for great nations as well—indeed especially for great nations. Like the League of Nations Covenant and the United Nations Charter, the idea of Atlantic partnership is an attempt to come to grips with the basic facts of world politics in the twentieth century:

That modern warfare has become so destructive that it has ceased to be a rational instrument of national policy;

That the international system that worked tolerably well to prevent or limit war before 1914 has broken down irreparably in the last half-century;

And that if we are to survive under these new conditions the nation-state can no longer serve as the ultimate unit of law and human association. . . .

We must therefore focus our efforts on . . . building new bonds among those peoples of the free world who have some feeling of shared values and interests, some feeling of the ability to communicate effectively, some feeling of trust and confidence in each other's purposes.

These are the preconditions of community. They exist, I believe, in substantial measure among the industrial democracies of the North Atlantic area. Because they do, Atlantic

partnership is a feasible goal, barely feasible perhaps, but nonetheless one which one can pursue with some reasonably well-founded hope of success. If it is far short of the universal aims of the United Nations Charter, it is also far bolder and more creative than the Gaullist vision of a unified but exclusive Europe. The Atlantic idea, in short, represents the point at which our needs and our capacity seem to converge. . . .

The demand of a resurgent Europe for a status in the world commensurate with its new strength is a natural historical development which is based on much more permanent foundations than the personality and ambitions of General de Gaulle. It is General de Gaulle, however, who is currently giving voice and content to Europe's self-assertion. . . . If we are to cope with the Gaullist challenge, we must begin by recognizing the true sources of its power. The 'new reality,' as Walter Lippmann has defined it, is that Western Europe has outgrown the dependence upon America which began with the first World War and will no longer accept American pre-eminence in European affairs. . . . The postwar era is past. . . .

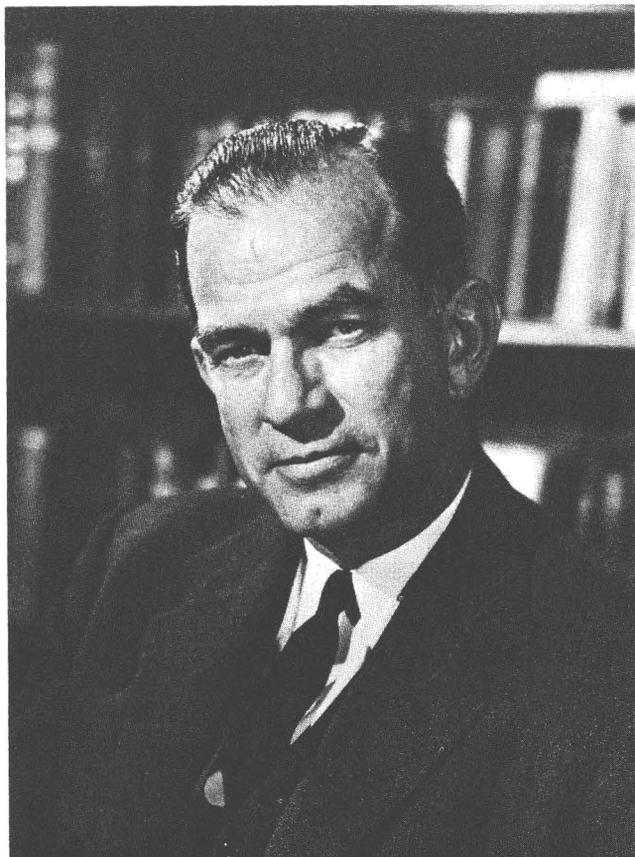
Specifically, we must think about four main areas of relations among the Western countries—those of defense and trade, those of their political and institutional bonds with each other and their common responsibilities toward the less developed nations:

### **On Defense:**

There is no ready solution to the problem of joint command decision in the use of nuclear weapons. Responsibility is inseparable from power, and wars, certainly nuclear war, cannot be conducted by committees. . . . We must find a way to bring our allies into meaningful participation in the vital decisions relating to war and peace. The crux of the problem is the development of a solid strategic consensus among the NATO allies. . . . In the final analysis, the control of missiles and warheads is secondary to the control of basic policy processes that determine war or peace. A unified Allied system of strategic planning would . . . give Europe the voice in determining its own destiny that it rightly demands. . . . The most useful single step toward the strengthening of NATO as a meaningful instrument of Atlantic partnership would be the elevation of the NATO Council to the stature of a genuine organ of policy coordination. . . .

### **On Trade:**

The Trade Expansion Act was the American response to the liberal spirit of Article 110 of the Treaty of Rome, which set forth the intention of the European Community 'to contribute, in conformity with the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international exchanges, and the lowering of customs barriers.' . . . The progressive lowering of tariff barriers, despite transitory hardships and adjustments on both sides, would open the way to substantially expanded trade and accelerated economic growth for both Europe and



# Euratom Signs New Fast Reactor Contract

America. . . . In the words of a recent Senate Foreign Relations Committee staff study: 'From the spreading base of this mutually beneficial trade, the two great communities on either side of the Atlantic should be able to perform a number of tasks that have become indivisible, to reach major goals that neither could reach alone.'

An Atlantic trading partnership is neither a conception of pure idealism nor, as certain Europeans have suggested, a sublimated form of American economic colonialism. . . . It is a necessity of the first priority for both Europe and America. . . .

## On Political and Institutional Bonds:

I believe that the establishment of a consultative Atlantic Assembly [*in January 1962 the Atlantic Convention of NATO Nations recommended that the NATO Parliamentarians' Conference be developed into an "Atlantic Assembly," and in November 1962 the NATO Parliamentarians commissioned a study of the proposal*] would be a desirable and feasible measure for the strengthening of the Atlantic community. . . . Its value for the foreseeable future would be as an organ of counsel and consultation, a forum for the practice of community on the Atlantic level, and an institutional symbol of our interdependence.

## Relationship with Developing Countries of the World:

In the discharge of their common obligations to the underdeveloped countries of Asia, Africa, and Latin America, the nations of the West have a surpassing opportunity, by bringing to bear in unity and common purpose a small part of their vast resources, both to strengthen their bonds with each other and to lay the foundations for a world-wide concert of free nations. . . .

Success in so difficult and delicate an enterprise is far more likely if the Western nations to the greatest possible extent remove their development efforts from domestic political arenas and channel them through international agencies. . . .

One can envision the development of a unified multilateral aid program either through the International Development Association of the World Bank or the Development Assistance Committee of the OECD, or through the use of both of these agencies. . . . We might consider the elevation of the DAC from a policy-coordinating to a policy-making body. Conceivably, the Committee could be empowered to make its decisions under a system of 'qualified majority' voting like that of the Common Market Commission. . . .

## In Conclusion:

Since the age of discovery when the Atlantic community was formed, its members have periodically fallen upon each other, with mounting savagery reflecting the refinements of their technology. As long as the North Atlantic nations dominated the world and as long as weapons of war were limited in the damage they could do, the 'civil war' of the West was something which its members could survive if not afford. That time is now past. The Atlantic nations no longer dominate the world, nor could they expect to survive as organized societies a conflict with those who threaten them. History and reason and common sense tell us that unity is the condition for preventing such a conflict, that in unity lies our best hope of preserving the civilization we have built and of fulfilling its considerable promise.

THE GERMAN KBB GROUP of Karlsruhe (Kernreaktor Bau- und Betriebsgesellschaft) and the European Atomic Energy Community have signed a five-year association contract for joint research on fast breeder reactors.

The contract covers an expenditure of \$46 million, 40 per cent of which is to be contributed by Euratom.

Plutonium reactors with three different cooling systems—helium, dry steam, and sodium—will be tested at the German plant, the aim being to prepare a thoroughly developed and tested fast-breeder reactor prototype.

Three construction projects will be carried out at Karlsruhe under the contract: a plutonium-fueled critical assembly; a fast thermal reactor, to be built by converting Karlsruhe's existing Argonaut reactor; and a fast critical sub-assembly.

Euratom will contribute scientists and technicians to the project, as it does under all its association contracts. Direction of the research will be the responsibility of a steering committee, to which each of the contracting parties will appoint four members.

## Fast Reactor Research Expanding

This is the second large-scale association contract for fast-breeder reactor research which Euratom has signed. In July 1962 a contract for development of fast breeder reactors at Cadarache was concluded with the French atomic energy commission (CEA).

Euratom is now negotiating a third association contract for research in this field with the Italian nuclear energy authority CNEN. This research will be centered on the use of the thorium-uranium 233 cycle in fast reactors employing sodium as a coolant. Once this contract is concluded, Euratom will be participating in all the fast reactor projects in the Community.

The largest single sum allocated in the second five-year research program (1963-67)—\$73 million—is devoted to development in the field of fast breeder reactors. Together, the contributions of Euratom and its associates in France, Germany, and Italy, which contribute the remaining 60 per cent of costs in each case, will amount to about \$180 million for fast reactor development.

## U.S. and UK to Supply Plutonium

Euratom has signed an agreement with the UK Atomic Energy Authority for the supply of 45 kg. of plutonium to be used for the first core of the French Rapsodie research reactor at Cadarache, the first of the fast reactor projects in which Euratom participated (*See Newsbriefs*).

Negotiations are also under way between the United States and Euratom for a similar arrangement. Under the projected agreement the United States would supply plutonium for Euratom's fast reactor research at both Cadarache and Karlsruhe. The agreement would also provide for the exchange of information between the U. S. and Euratom on development in this field.

Learning to be Europeans...

## EUROPEAN SCHOOL MARKS 10th ANNIVERSARY

THE EUROPEAN SCHOOL AT LUXEMBOURG celebrated its tenth anniversary on April 4.

The forerunner of four similar establishments throughout the European Community, the Luxembourg School first opened its doors in 1953, to 90 children at Easter time. Today it has 1,320 pupils from 15 different countries.

The School was founded by the parents of its first pupils. In the summer of 1952 the European Coal and Steel Community set up its headquarters in Luxembourg, and its staff, who came from all the six Community countries (Belgium, France, Germany, Italy, Luxembourg, and the Netherlands), were faced with the problem of their children's education. The parents' association which they formed decided that the answer was to found a new school to fulfill three tasks:

- To enable their children to study their mother tongues and work in contact with their own national cultures.
- To avoid abrupt changes of syllabus for children who might have started their education in other parts of Europe, or who might return to their own countries before their schooling was over.
- To give children of various nationalities a common grounding that would enable them to carry on their parents' work of building a united Europe.

After modest but successful beginnings with a kindergarten and a primary school, the need arose to extend the experiment to the secondary level. For this purpose a group of eminent educators from the six countries set to work in 1954 "to lay the foundations of a joint educational system drawing its inspiration from the principles of Western humanism, and to work out a system of teaching which would be a synthesis of the systems found in the countries concerned."

### Coeducational, Multi-Denominational

The school which grew from these ideals is coeducational and multi-denominational. Less than half its pupils come from the homes of Community officials. Fifty-six American children have been admitted, and 260 of the students are children of Italian artisans working in Luxembourg. Teaching is carried out in the four languages of the Community (Dutch, French, German, Italian).

When it outgrew its early framework in 1957, responsibility for administering and financing the school passed to a Board of Governors. These are chosen by the six member governments, which each bear part of the cost of the school and work through the High Authority of the Coal and Steel Community. Teachers are assigned to the school by their national educational authorities.

The legal basis of the school lies in its charter, signed in April 1957 by the Community governments, giving it equal recognition with state schools in each of the six countries. An annex to the charter, signed in July 1957, created the Baccalauréat Européen, which is accepted as equivalent to national certificates for admission to the universities of the Community countries. This certificate has since been recog-





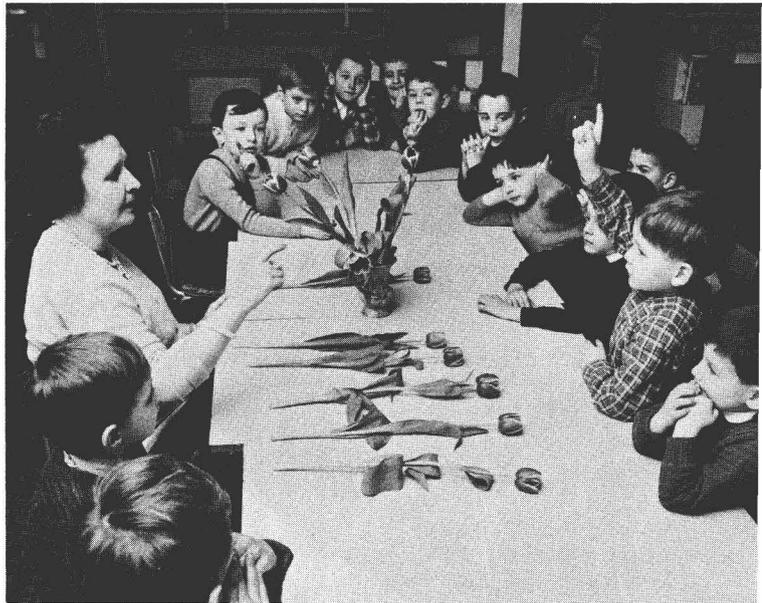
*Make-up for the 'dress-up' part of the anniversary celebration.*



*Orchestra of the European School performs at the tenth anniversary celebration.*



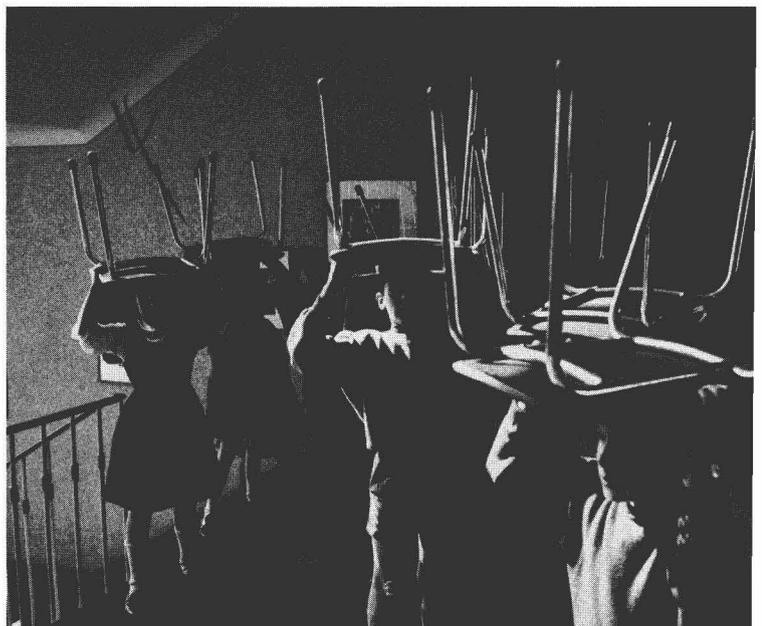
*Italian-language group at geography class.*



*In nursery school, the French-language group learns a first arithmetic lesson counting Dutch tulips.*



*Playtime in the school's main courtyard.*



*Helping to prepare for the anniversary celebration, children bring chairs to the auditorium.*



*Tug of war games during recreation period.*

nized also by the educational authorities of Great Britain, Austria, and Switzerland, and by some American universities.

The school's educational system naturally attaches great importance to the teaching of languages. At the primary level, pupils from Community countries receive instruction in the three R's in whichever of the four official languages happens to be their mother tongue, while children from outside the Community join whichever language group is most suitable for them. In addition, from the primary stage onward, all pupils learn a second Community language. This serves as the working language (*langue véhiculaire*) for the teaching of certain subjects at both the primary and secondary stages. To foster school unity, some subjects are taught in joint courses to pupils in different language groups.

In the primary school, the *langue véhiculaire* is used only for "European lessons," in which children are grouped not by nationality but simply by age or sex. At the secondary level, the working language is used primarily for teaching history and geography. From the third year of the secondary school, all children also learn English. Lastly, students of modern studies in the upper secondary school learn a third Community language—a language other than their own or their *langue véhiculaire*.

As a result of this system, it is not unusual for a pupil to be fluent in four or even five languages by the time he or she leaves school, and in practice many are fluent in two or three languages at the primary stage. Learning languages is also facilitated by the contacts which exist between children of various language groups on the ordinary day-to-day level. In this way, children often acquire command of languages not included in their course of studies.

### 'An Important First Step'

The ability to speak several languages, plus friendship with children of other countries, does not mean, of course, that pupils at the European School lose awareness of their own nationality. But it is an important first step in international understanding. As a former French pupil of the school has recorded, he "felt French in Luxembourg, but European in Paris."

Following the success of the Luxembourg School, the six countries established a similar school in Brussels, and Euratom has opened schools on the same lines at three of its research centers—Mol in Belgium, Ispra in Italy, and Karlsruhe in Germany. A sixth European School is planned for

Petten in Holland, where Euratom is developing another research center.

The Brussels school, opened in 1958, now has 1,375 students, and the schools in Varese and Mol, opened in 1960, each have a student body of 600. The school in Karlsruhe opened last year and is still in a planning stage.

The five schools employ about 300 teachers. Brussels and Luxembourg each have 90 teachers. Their pupil-teacher ratio is about 15 to 1.

Students whose parents work for the Community or are in the civil service of the six governments attend free of charge. Others pay a small fee: thirty dollars for the primary grades, sixty dollars for the secondary grades.

The spirit of the European Schools is expressed in a document which is enclosed in the foundation stone of each of the five establishments:

*From their first years at school to the threshold of university this School will bring together children from Belgium, France, Germany, Italy, Luxembourg, the Netherlands, and other countries interested in building a united Europe.*

*While following with teachers from his own country the study of his mother tongue and his national literature and history, each of these pupils will be able to acquire from infancy the use of other languages, and will benefit from the joint contributions of the different cultures which together make up European civilization. Sharing in the same games, grouped in common classes, boys and girls of various languages and nationalities will learn to know and value each other and to live together.*

*Being brought up in contact with each other and freed at an early age from the prejudices which divide, initiated into the beauties and values of various cultures, they will, as they grow up, become conscious of their solidarity. While retaining love and pride for their country, they will become Europeans in spirit, well prepared to complete and consolidate the work undertaken by their fathers in establishing a prosperous and united Europe.*

*Children gather in front of the school after class.*



## Grain Prices Remain a Major Issue

THE COMMON MARKET COUNCIL OF MINISTERS' meeting of May 8-9 produced compromise agreement on two of the most important problems facing the Community—agriculture and the adoption of a Community position on preparations for the forthcoming 'Kennedy Round.'

The Ministers did not, however, adopt the complete working program ("Borschette Plan") drawn up during April and early May by the six member governments' Permanent Representatives under the chairmanship of Albert Borschette of Luxembourg.

The program, requested by the Council at its meeting of April 1-2 following German Foreign Minister Gerhard Schroeder's "synchronization" proposal (see page 4), was to define the aims of Community action in all spheres for the rest of 1963.

Discussion of the Borschette plan was to be continued at a Council meeting scheduled for May 30-31.

### Agricultural Problems Difficult, Urgent

The importance of the continued development of the Community's agricultural policy is heightened by the approach of the 1963-64 marketing season for grains and by the less imminent but more crucial GATT negotiations. By May 1964, the Six must have established their own farm policy firmly enough to be able to discuss international agricultural trade with the 44 other GATT members.

The Council agreed that decisions should be reached by the end of 1963 for beef, veal, dairy products, and rice.

It also decided that the Commission should put forward proposals for a Community sugar policy before the end of July 1963.

No agreement was reached on the proposed regulations for the operation of the European Guidance and Guarantee Fund and the European Fund for Structural Improvements in Agriculture. As these two funds—particularly the former—are to play an essential part in the financing of the common agricultural policy, decisions in this sphere are vital to the successful working of the entire policy.

In addition to the question of financing, that of sanitation regulations for Community trade in beef and veal (France objects to current German regulations) was scheduled for further discussion at the Council meeting on May 30-31.

### New Grain Prices Being Considered

One of the essentials for carrying out the agricultural policy is establishment of grain prices in the community. The Council decided at the May 8-9 meeting to hold further discussion before July 1 on the Commission's proposals for harmonizing grain prices for the 1963-64 selling period and also agreed to set prices for the 1964-65 season before January 1, 1964.

The Commission's proposals for Community grain prices for 1963-64 were discussed by the Council at its meetings in March and April and again on May 8-9.

In its proposal the Commission recommended that the

price for barley be used as an index in fixing the prices of the other grains.

It proposed that the upper price limit for barley in the Community during the coming marketing season be \$100 a ton and the lower limit \$77.50 a ton.

On this scale average barley prices would rise in France by about \$5.25 a ton, in the Netherlands by about \$4, and in Italy by approximately \$6.60. The price in Germany would fall by about \$3 a ton, and prices in Belgium and Luxembourg would remain at about their present levels.

The prices of other grains would be modified to bring them into a fixed relationship with barley prices. Soft wheat prices would be between 113 per cent and 117 per cent of the barley price, rye and maize between 98 per cent and 102 per cent. Under this system the prices of all grain would fall in Germany. The wheat price would have to be lowered in Belgium, Luxembourg and Italy, while remaining the same in France and becoming higher in the Netherlands.

There is also a differential based on quality standards, which are lower in Germany, Belgium, and Luxembourg.

### Ministers Consider Political Questions

Another problem requiring additional consideration at the May 30-31 meeting was that of the form the Community's future contacts with Great Britain should take.

No agreement was reached at the May 8-9 meeting, and the Council asked the Permanent Representatives to undertake further studies and also requested the opinion of the Commission.

Eugene Schaus, chairman of the Council of Ministers and Foreign Minister of Luxembourg, stated that the six governments were agreed that contacts between Britain and the Community could not take the form of "consultations" but that of "exchanges of information and opinion." Another question remaining to be settled was whether these exchanges would be on a multilateral basis or through the Commission, acting as spokesman for the six members of the Community.

The Ministers gave the Commission a mandate to continue negotiations for a trade agreement with Turkey and agreed on import quotas for a number of Turkish products, including dried figs, hazelnuts, and tobacco. They also fixed at \$175 million the amount the Community would lend Turkey, over a period of five years, for the purpose of industrial development.

At the May 8-9 meeting the Council considered the development of a "Community approach" to the GATT negotiations and adopted a preliminary negotiating position for the Geneva meeting held May 16-21 to establish ground rules for the actual negotiations. The Council recognized that agricultural products must be included in the negotiations. It agreed with the United States that tariffs should be reduced "across the board," but felt that the question of tariff disparities—the problem of the "highs and lows"—should be studied by GATT experts (see pages 1-2 for details of the Geneva meeting and the Community position).

# HIGH AUTHORITY'S COPPÉ STRESSES CONCEPT OF WIDER COMMUNITY



HIGH AUTHORITY VICE PRESIDENT Albert Coppé, in presenting the annual general report of the European Coal and Steel Community for 1962, expressed the High Authority's wish that the problems now facing the Coal and Steel Community be included in current discussions inspired by the proposals for "synchronization" of Community programs (see page 4).

M. Coppé, on behalf of the High Authority, presented the annual report to the European Parliament in Strasbourg on May 14.

Commenting on specific points mentioned in the proposed "synchronization," he reaffirmed that the High Authority's position, as it had already stated to the Parliament, is in principle favorable to the merger of the Community's executive institutions. He said too that the High Authority is convinced that the European Parliament should play an increasingly important part in the life of the Community—another concept revived in the "synchronization" proposals.

"It was on the basis of this belief," he said, "that we introduced into our draft for a common energy policy the idea that—for certain procedures for introducing simple changes into the ECSC Treaty—the European Parliament's decision would replace to some degree ratification by the national parliaments."

Noting that the High Authority was pleased that the urgency of the problem of creating a common energy policy had also been mentioned during the "synchronization" discussions, M. Coppé said: "We were particularly pleased that, after a period of some inaction, the ECSC Council of Ministers has speeded up the procedure for establishing basic solutions to the problem. . . . The High Authority, for its part, is giving absolute priority to this work." (For more about the common energy policy, see *Newsbriefs*, page 15.)

## 'A Common Market for Energy'

In the report itself the High Authority stated that "it is inconceivable that a general common market could develop smoothly without a common market for energy." But it added: "The policy advocated in the memorandum [on energy policy, June 1962] would definitely involve the use of new economic weapons and hence amendments to the present text of the ECSC Treaty."

For example, the High Authority feels that "the ECSC's direct prohibition of national subsidies is not appropriate to the conditions of coal production in the six countries at the present time. . . . In future some types of subsidy should be accepted as an important instrument in coal policy—though this must not, of course, be taken to advocate the other extreme of granting subsidies indiscriminately."

"Again," the report continued, "the ECSC treaty allows the Community very little say in matters of foreign trade policy, leaving this largely to national governments, while

under the Common Market Treaty trade policy is to be a genuinely Community affair by the end of the transition period." The Report added that some of the techniques devised by ECSC—issuance of the *General Objectives*, methods for guiding investments, aid to research, rules on price publicity, for example—had shown their value and should be maintained in an expanded concept of the Communities and their institutions.

## Over-all Summary of 1962 Viewed

The High Authority's report gave a comprehensive picture of ECSC activities and of conditions of the ECSC market during 1962. It outlined the external relations of the ECSC, describing the negotiations with Great Britain, Denmark, and Ireland. Competition, transport, preparation of the *General Objectives*, investment, research, and social policy were sectors included in the report.

The High Authority outlined the conditions of the steel market (see page 14) and of the coal market. The coal market, said the report, is in balance, "but only as a result of the protective measures introduced by most member countries and the High Authority."

"Further closures of uneconomic pits have been carried out," the report continued, "but owing to the increase in productivity total production in 1962 was only 1.3 per cent lower than in 1961."

The report stressed the importance and value of the financial independence which the High Authority enjoys under the ECSC Treaty, which empowers the High Authority "to procure the funds necessary to the accomplishment of its mission" by imposing levies on the production of coal and steel. In 1962 the High Authority found it possible to cut the levy, which forms the basis of its finances, from .3 per cent of production value to .2 per cent.

Some of the activities which the High Authority financed from this source in 1962, with approximate allocations, are: assistance for "readaptation" of workers, \$7 million; research grants to industry, \$3.5 million; loans for industrial redevelopment, \$7.5 million; and loans to build workers' houses, \$17 million.

## Coal and Steel Output Falls

Steel production in the European Community amounted to 17.9 million metric tons in the first quarter of 1963, a decline of 1.5 per cent compared with the corresponding period of 1962.

Production in Germany (7.7 million tons) was down by 4 per cent over the year, in Belgium (1.8 million) by 1.6 per cent, in France (4.3 million) by 1.4 per cent, and in Luxembourg (985,000) by 0.6 per cent. In Italy, however, (2.5 million tons) output increased 4.6 per cent and in the Netherlands (540,000 tons) 6.1 per cent.

Rolled steel orders in the first quarter of 1963 totaled nearly 13 million tons, compared with just over 14 million tons in the first quarter of 1962—a decline of 7.4 per cent. Orders from non-Community countries fell by 12.6 per cent in the period, and orders from the national steel industries' home markets by 8.2 per cent, while intra-Community orders rose by 1.1 per cent.

# U.S. Senators Reassured on EEC Competition Policy

UNITED STATES SENATOR ESTES KEFAUVER, chairman of the Subcommittee on Antitrust and Monopoly, told the Senate on April 25 after the Subcommittee returned from a series of conferences in Europe: "Everyone assured us that the Common Market will go forward. This means that competition—the heart of the Rome Treaty—will also be promoted."

In an indirect reference to the relationship between the efforts being launched within GATT to lower tariffs and the competition policies of the GATT nations, he declared that the Common Market antitrust officials "are absolutely determined that the international tariffs and quotas soon to be abolished should not be replaced by cartels and other private restrictions."

The Senate Subcommittee, as part of a study of antitrust developments in Europe and their significance for American business, visited Brussels, Paris, and London during April before the opening of the GATT ministerial meeting. Paul Rand Dixon, chairman of the Federal Trade Commission, accompanied the group, which met with antitrust officials of the Common Market, with U. S. and European businessmen, lawyers, and professors, and with French, German, and British antitrust officials.

## 'A Fundamental and Basic Change'

"These European antitrust laws and the competitive philosophy which underlies them are at the heart of the Rome Treaty," Senator Kefauver emphasized in his April 25 statement, "and this is now recognized by all."

"In earlier days, many Europeans were quick to proclaim that competition was inherently bad, ruinous and wasteful," he said. "Today, almost no one will attack the competitive philosophy as such. . . . [This] indicates a fundamental and basic change in economic climate and attitude. It is most encouraging that our European friends are getting away from the old ideas of doing business by cartels."

"This change," he declared, "is reflected in the numerous national and supranational antitrust laws recently enacted or pending. Although these laws vary substantially, I was struck with the strength of some of these laws, and the powers granted antitrust officials with respect to investigations and penalties. This is particularly true of Articles 85 and 86 of the Rome Treaty itself. . . ."

"We found overwhelming support for these laws among American lawyers and businessmen," he continued. "As one lawyer put it—and he was unanimously supported by the half dozen other American lawyers present—Americans are the newcomers. It is we who must break into these markets to improve our balance of payments and trade position. . . . Moreover, as another American pointed out, our companies are used to operating under antitrust laws, and they have probably had to do less to comply with these laws than their European counterparts."

## Competition Considered on Both Sides of the Atlantic

The Subcommittee conferred in Brussels with Hans von der Groeben, EEC Commissioner responsible for antitrust and competition policy, and his staff. (Shortly afterwards, Commissioner von der Groeben himself left for the United States where he conferred with Washington officials before begin-

ning a series of cross-country speaking engagements. He returned to Brussels in mid-May.)

Of his meetings with the Common Market Competition Division in Brussels, Senator Kefauver said: "Many hours of conversation with EEC Commissioner Hans von der Groeben and with some dozen members of his staff convinced us that they are realistic and determined. These men will do their utmost to make the antitrust sections of the Rome Treaty into one of its most significant and vital aspects."

Noting that other matters of interest to the United States include "the relationship of European planning and programming to competition and to American investments," Senator Kefauver added that in Europe "price-conscious consumer movements are beginning to develop; many European businessmen, especially the younger ones, are beginning to realize that competition can be profitable."

"The ultimate fate of this great experiment," he continued, "is obviously not possible to foresee, but a very promising start has clearly been made."

"Our Subcommittee plans to continue its study," the Senator concluded. "America and Europe are rapidly becoming more and more intertwined, and it is incumbent upon members of the Senate to keep fully abreast and to respond appropriately to these developments."

## India, EEC Discuss Trade

Trade discussions between Indian and Common Market officials have taken place recently, following an Indian request for establishment of trade ties with the Common Market.

Manubhai Shah, Minister of International Trade for India, visited Commission President Walter Hallstein in Brussels on May 28. He had discussions on May 29 with Commissioner Jean Rey and other EEC officials, who expressed the Commission's willingness to continue its efforts to promote economic cooperation between India and the EEC, in pursuance of the general policy toward the developing countries affirmed during the GATT conference in Geneva.

A suspension of Community tariffs on tea and tropical hardwoods was discussed, in line with the EEC Council of Ministers' mandate to the Commission in April authorizing consideration of such action.

On May 3 Krishen Lall, Indian Ambassador to the European Community, transmitted to the Council of Ministers a note in which his Government said that the need for a trade agreement was urgent because of a "chronic lack of balance" in India's trade with the Community.

The note suggested that an agreement could be based on the tentative proposals for Common Market trade relations with India made during the British negotiations for membership in the Community. The main element of these proposals was a suggestion that comprehensive trade agreements be negotiated between the enlarged Community and India, Pakistan and Ceylon which would include measures for tariff, quota and export policy, the encouragement of private investment, and technical assistance. Other proposals considered included tariff reductions and suspensions affecting products such as tea, spices, ginger, and cashew nuts.

# ECSC TO COUNTERACT WEAKNESS IN STEEL MARKET

THE EUROPEAN COAL AND STEEL COMMUNITY is taking steps to counteract the current weakness in the steel market which has caused Community steel producers to cut production and prices. At a meeting in Luxembourg on May 4, the ECSC Council of Ministers authorized two immediate measures:

1. It asked the High Authority to hold bilateral talks with Great Britain, Austria, and Japan in order to study present developments in the world steel market and definitions of dumping.
2. It instructed a special steel committee, comprised of representatives of the six member governments and the High Authority, to draw up by May 15 comprehensive measures to deal with the situation and in particular to enable Community steel producers to overcome the disadvantages they face in competition with other producers in European and world markets. (One such measure proposed by the High Authority was that the six Community countries should coordinate their policy on imports from Communist-bloc countries.)

Simultaneously a steel industry committee, set up in April by the High Authority and the chairmen of the national steel producers' associations, was considering what action could be taken within the steel industry itself.

The Council of Ministers was to meet again on June 6 to discuss the steel market further in light of the steel committee's report.

## How the Market Has Deteriorated

On May 2 the High Authority told the Council of Ministers of the urgent need of proper measures to improve conditions in the steel market.

The Community remains a net exporter, but during 1962 the market showed a trend of rising imports and declining production.

Community steel exports fell by 11 per cent: from 13.8 million metric tons in 1961 to 12.4 million tons in 1962. At the same time imports by the Six of steel from countries outside the Community rose from 2.5 million metric tons to 3.4 million—a 35 per cent increase.

High Authority member Fritz Hellwig told the Council of Ministers on May 4 that a price war among steel producers in the Community and other countries had intensified during recent weeks and that steel firms' margins had fallen. Producers have been forced to cut their expenditure and to reconsider their investment programs, he said, and sales in the iron-ore producing regions were also suffering, particularly in Lorraine. The Community would probably not reach the production level for iron ore and steel envisaged for 1965 in the High Authority's *General Objectives*, Herr Hellwig added.

The recent leveling-off of Community steel output after the spectacular growth of the last 10 years is partially because the world's steel-consuming industries are not expanding at the same rate as industry as a whole. Although the Common Market Commission forecast a 5 per cent industrial expansion rate for the Community in 1963, steel consumption is expected to increase only 3 per cent over that of 1962.

In addition, some steel-producing countries outside the Community which formerly sold only on home markets are now beginning to enter the world steel market.

## Community Producers Face Special Special Problems

There are a number of other factors operating against Community steel producers:

Some producers outside the Community have been able to sell at low prices because of low production costs, high profits on home markets, or favorable government policies.

The Community's harmonized external tariffs on steel—between about 6 and 12 per cent, depending on the type of steel and the country of entry—are considerably lower than those of its principal competitors. The effect of this is especially marked at a time when prices are weakening, since duties are generally levied not on the tonnage but on the value of the steel imported.

Community steel firms must comply with ECSC rules on price publicity and non-discrimination. When they align their prices on those of steel imported from countries outside the Community, they have to provide proof of the competitive prices which necessitated such an alignment. Non-Community producers selling in the Community do not have to operate within these restrictions.

As a result, Community steel producers in recent months have had to meet severe competition in their own markets from imported steel. This has had a marked effect both on steel production and on prices in the Six. The low prices of imported steel have in some cases forced Community producers to decrease their prices (although Community price lists have in general remained fairly steady).

For the second quarter of this year, the High Authority estimates that production will fall one per cent below 1962's second quarter, but imports will probably be up by about 31 per cent, reaching an estimated 1.05 million tons.

While steel imports into the Community have increased, ECSC exports have fallen sharply. They are expected to rise again slightly in the second quarter of 1963, but, at 2.95 million tons, they still will be 13.7 per cent lower than in the same period last year. High Authority experts believe, however, that there will be a slight rise in Community consumption in the second quarter of this year and that production will reach 18 million tons. The increase will probably be greatest in Germany, where the recent setbacks have been most severe.

Guest authors and speakers cited in *European Community* express their own views and are presented to enlarge the forum of Atlantic opinion.

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## Britain, Euratom Sign Plutonium Contract

The British have concluded a contract with the Supply Agency of Euratom to supply British plutonium oxide for use in the experimental fast reactor Rapsodie, being built at Cadarache, France, by the French in association with Euratom.

The contract, signed May 20 in Paris, is between the United Kingdom Atomic Energy Authority and the Supply Agency of the European Atomic Energy Community (Euratom), acting on behalf of the French atomic energy commission (CEA).

The Rapsodie project is a part of the Community's cooperative effort in the field of fast reactors. The total quantity of plutonium required for the first fuel charge will be about 90 kilograms. The present contract covers half this quantity for delivery in early 1964. The Euratom Supply Agency has an option on a further 45 kg. for delivery in 1965.

The material will be supplied under terms of the Cooperation Agreement between the United Kingdom and Euratom. Signed in February 1959, the agreement was concluded to provide cooperation and exchanges of information on the peaceful uses of atomic energy. Within the framework of this agreement, the U.K.-Euratom Continuing Committee held its fourth meeting at Ispra, Italy, one of Euratom's research centers, on May 20.

## ECSC Follows Through on Energy Proposals

The European Coal and Steel Community has recently taken two steps to aid in the effort to create a common energy policy in the six Community countries.

Both actions were taken in accordance with proposals made in the memorandum on energy policy submitted to the Council last June by the Inter-Executive Energy Committee, headed by High Authority member Pierre-Olivier Lapie and including representatives of the executives of the three Communities. (The effort to achieve a common energy policy is shared between all three Communities—the Coal and Steel Community, the Common Market and Euratom—since the three share responsibility for energy, each in different forms.)

The ECSC High Authority has drawn up for the Council of Ministers a summary of the legal implications of the inter-executive memorandum and the adaptations that would be needed in the ECSC Treaty in order to apply measures proposed in the memorandum. It has also asked the Council to consider making a special agreement to permit certain measures, thus avoiding the need for cumbersome revisions in the Treaty.

In addition, the ECSC Council of Ministers has decided that a special committee on energy policy should be established to examine energy problems and report its findings to the Council by October 31 this year.

Like the inter-executive committee, the new committee will represent all three Community executives. It will consider long-term forecasts of the Community's energy situation and examine views expressed in the Council by the various mem-

ber governments, in light of the inter-executive memorandum.

The memorandum, on the basis of which the present decisions were taken, included proposals for:

Standardization of the rules governing competition in the markets for coal and oil;

Creation of a system of subsidies to aid coal production within the Community;

Adoption of a common policy for trade in energy with non-member countries;

Special transitional measures leading toward a common market for energy.

## President Malvestiti Announces Resignation

Piero Malvestiti, President of the European Coal and Steel Community's High Authority, submitted his resignation from that office to the Council of Ministers at its meeting in Luxembourg on May 2.



Signor Malvestiti became President of the High Authority in 1959, after serving as a vice president of the Common Market Commission from the time of its constitution at the beginning of 1958.

In his statement to the Council of Ministers, President Malvestiti said, "I only wish to repeat today my conviction that the unity of Europe is essential for world peace and liberty, and to reaffirm the belief that has always governed me in carrying out my duties."

No final date for Signor Malvestiti's resignation was fixed; he will remain in office until a successor has been chosen by the six member governments.

## Negotiations Opened with Iran

Negotiations for a trade agreement between the European Economic Community and Iran opened in Brussels on May 6.

On the Community side, the talks are being conducted by a delegation consisting of representatives of the Common Market Commission and the six member governments. The Iranian delegation is led by Economics Minister Dr. Ali Naghi.

After exploratory talks in 1962 between the Commission and Iranian representatives, the Common Market Council of Ministers in April 1963 drew up a mandate for the Community delegation. This mandate allows the Community to negotiate regarding reduction of various duties in the common external tariff for the benefit of Iranian exports. The main products affected would be raisins, sultana grapes, dried apricots, and caviar. The Community already applies a nil tariff on cotton and oil—Iran's principle exports to the Community. The initial agreement would probably be for a period of two years and automatically renewable.

## ECSC Frees Scrap from Export Embargo

Exports of iron and steel scrap from the European Community were freed, for a period of six months beginning April 1, 1963, from the export embargo imposed since the beginning of the Coal and Steel Community in 1952.

This decision was reached by the Council of Ministers at a meeting in Luxembourg on March 21. Exports were previously subject to control because of severe shortages of scrap in the Community's steel industry. With the development of new techniques, however, the industry's dependence on this raw material has declined. The quantities of scrap available in the Community are now sufficient to allow exports without raising prices on the internal market. Exports will be permitted subject to license, but licenses will not be given for cast-iron scrap or new tinplate waste. The question will be reconsidered by the Council of Ministers in six months' time.

## Euratom Issues New Bimonthly Official Guide

The Commission of the European Atomic Energy Commission has just issued Volume 1, Number 1, of the new official *Euratom Information*, published as a complete guide to Euratom's scientific and technical activities.

The publication, which will appear every two months, provides information on Euratom's research and development projects, contracts concluded or approved, information obtained and published, and patented inventions. *Euratom Information* is multilingual, employing the four Community languages and English. It is issued from the Euratom Commission's Information and Documentation Center (C.I.D.).

Subscriptions, at fifteen dollars yearly, are obtainable from: Handelsblatt GmbH, Kreuz-Strasse 21, Duesseldorf, Germany. A limited number of sample copies of Volume 1, Number 1, is available at the Washington office of the European Community Information Service, 808 Farragut Building, Washington 6, D.C.



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## PUBLICATIONS AVAILABLE

### Social Security in Europe

STATISTIQUES DE SÉCURITÉ SOCIALE, 1955-1960. A summary of social security statistics in the European Community countries. (*Statistiques Sociales* 1962, No. 4) Statistical Office of the European Communities. 209 pages ..... \$1.50

ÉTUDE SUR LA PHYSIONOMIE ACTUELLE DE LA SÉCURITÉ SOCIALE DANS LES PAYS DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE, Brussels, 1962. A legal study of the status of social security in each of the EEC countries on Jan. 1, 1962, conducted by independent experts working with the Directorate General for Social Affairs. 130 pages ..... \$1.80

ÉTUDE COMPARÉE DES PRESTATIONS DE SÉCURITÉ SOCIALE DANS LES PAYS DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE, Brussels, 1962. A comparative study of social benefits in the Six, plus a section on social benefits in Britain, by the International Labor Office in collaboration with the Directorate General for Social Affairs. 145 pages ..... \$2.80

FINANCEMENT DE LA SÉCURITÉ SOCIALE DANS LES PAYS DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE, Brussels, 1962. A study of the financing of social security as of July 1, 1961, (including an appendix on Britain), conducted by the International Labor Office in collaboration with the Directorate General for Social Affairs. 163 pages ..... \$2.00

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