

Bulletin from the

EUROPEAN COMMUNITY

BELGIUM, FRANCE, GERMAN FEDERAL REPUBLIC, ITALY, LUXEMBOURG, THE NETHERLANDS

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EUROPEAN PARLIAMENT DEBATES FREE TRADE AREA President Hallstein Sees "Liberal, Multilateral, and Evolutionary" Association

An important part of the European Parliament's January session in Strasbourg was devoted to a full-scale debate on the Free Trade Area proposals and the problem of a European Economic Association. On January 16, this was followed by a joint debate with the Consultative Assembly of the Council of Europe in which for the first time the Common Market Commission was able to explain the Community's standpoint to the assembled parliamentarians of the Community countries and other member countries of OEEC.

Highlights of the European Parliament's debate on January 13 were speeches by Walter Hallstein, President of the European Economic Community Commission, Ludwig Erhard, German Economic Affairs Minister, and Jean Rey, EEC Commissioner particularly responsible for external relations. The Community speakers affirmed the need of maintaining the Community's integrity within an eventual European Economic Association but expressed optimism over chances for a provisional arrangement to meet the fears of their OEEC partners and the prospect of a permanent solution to the problems of association.

Hallstein Surveys Free Trade Area Talks

In a comprehensive survey of the Free Trade Area negotiations, President Hallstein recalled that the Community had never accepted the validity of the argument of "big Europe" versus "little Europe," or the statement that the creation of the Community would divide Europe. The difficulties in the Free Trade Area negotiations, he said, were not due to a lack of good will but rather to the very nature of the problem involved. He went on to describe the progress of the negotiations in their various stages (see

Free Trade Area Chronology p.4), and the basic reasons for the difficulties encountered. The experience of the negotiations for the Rome treaties, he said, had led to the general conclusion that "in a modern economic system the complete removal of tariff and quota restrictions can only be contemplated if five particular conditions are fulfilled."

President Hallstein listed the requirements as follows:

1. That a general balance between the states concerned be maintained as shown in their balance of payments—requiring coordination of monetary policy and of policy relating to economic trends;
2. That new and henceforth unavoidable conditions of

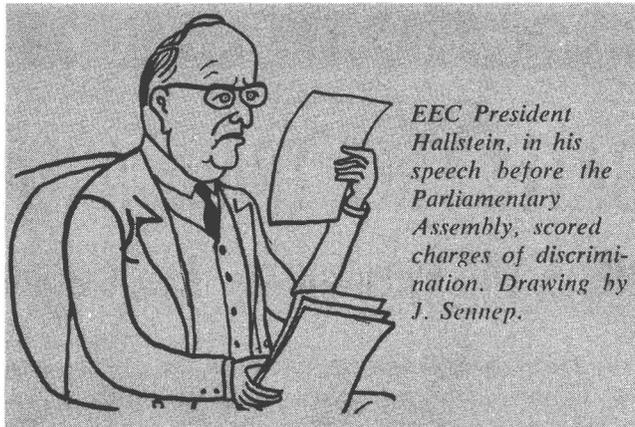
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competition are not cancelled by private or governmental measures;

3. That any underdeveloped partners be accorded special aid; otherwise the economic differences between member states would only be accentuated;
4. That a common policy be developed for sectors of the market which are not based on free competition such as agriculture and transport;
5. That a common policy for external trade be followed which in particular will prevent the destruction of competitive conditions between member states.

These considerations, President Hallstein continued, meant that in the modern world a customs union which



EEC President Hallstein, in his speech before the Parliamentary Assembly, scored charges of discrimination. Drawing by J. Sennep.

is nothing more than a customs union would be completely unrealistic. Similarly, he said, the idea of a Free Trade Area as defined in the GATT agreement needed to be spelled out and perhaps expanded. For there was little practical experience to go on, and the GATT definition was not so much an abstraction from existing practice as a theoretical invention which still had to be tried out. Moreover, the very fact that a Free Trade Area as thus defined would have no common external tariff and no common commercial policy would mean that this lack would have to be supplemented by a more effective common discipline.

The Charge of "Discrimination"

It had been claimed, President Hallstein went on, that the Common Market would constitute discrimination on the part of the six member states. Actually, the Community remains open to all European countries, and Article 24 of GATT and Article 8 of the OEEC liberalization code not only permit but even encourage the establishment of customs unions. Moreover, the "discrimination" argument had not been used against the Benelux union or against recent plans for a Nordic customs union.

It was also misleading, he said, to accuse the Community of protectionism, since not only was the Community required by GATT to insure that its common external tariff was no more protective than the national tariffs it replaced, but also the arithmetical mean on which the common tariff would be based would in fact mean a lower tariff surrounding some 95 million consumers in France and Italy as against a higher tariff surrounding only 20 million in the Benelux countries. Finally, the common external tariff was actually a point of departure for mutual tariff

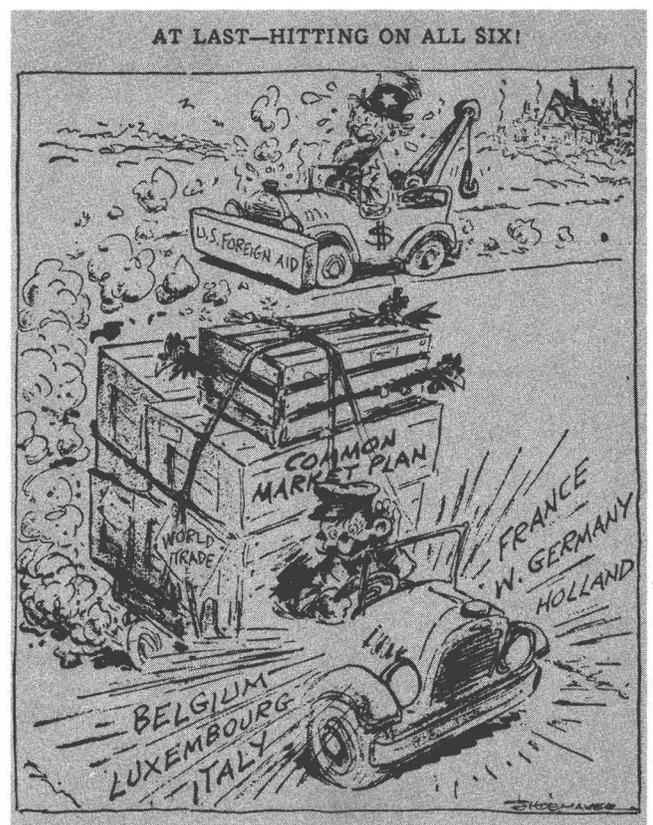
negotiations in which the Community's dependence on overseas markets and imports insured a liberal spirit.

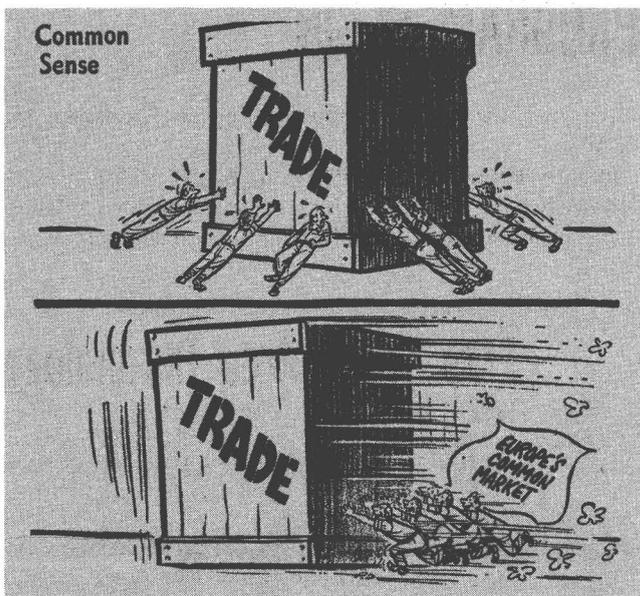
A European Economic Association

President Hallstein recalled the European Parliament's earlier resolution, voted on June 27, 1958, in favor of a European Economic Association, provided that this did not damage the unity of the Community. The continuing existence of the Community, he said, was the necessary guarantee of the success of such an association, just as it had been the stimulus for the original Free Trade Area proposals. No one, he maintained, was in a better position than the Commission to know how difficult the whole problem was, and for that reason it was necessary, in all sincerity and frankness and in a self-critical spirit, to seek out the roots of the difficulties.

Nothing could be more dangerous to the greater goal of European unity, the President said, than a hasty or ill-thought-out solution which might make for instability and failure: "In this spirit, without dogmatism or emotion, but with realism and sincerity, the Commission is at work toward achieving a practical, effective, and lasting solution."

This solution, he went on, must be liberal, multilateral, and evolutionary to allow further development for a better ordering of European and world affairs. The Commission's basic task today was to propose solutions for the problems of the European Economic Association by March 1. In the meantime, the Council of Ministers was meeting to seek a temporary provisional program to tide over the immediate practical difficulties. This program, however, was in no way a forecast of the permanent solution for the





problem of association, which was so much the concern of all countries, President Hallstein concluded.

Erhard Stresses Convertibility

Later in the debate, German Economic Affairs Minister Erhard stressed the importance of recent moves toward convertibility. He was careful to explain that his speech was a personal rather than an official contribution to the debate. Minister Erhard considered that convertibility made it necessary to think over again many of the economic ideas involved both in the Rome treaty and in an eventual European Economic Association.

He underlined the importance of a practical approach to the problems of association, which were of great concern to non-member countries. While agreeing with President Hallstein that no customs union could be set up without some kind of "discrimination," he pointed out that what mattered to other countries was the material effect of such discrimination rather than whether or not it was legally justified. For his part, he very much welcomed the principle of a multilateral association, and he was sure that there was general agreement that no protectionist blocs should be created in Europe. Convertibility and protectionism, he declared, were as irreconcilable as fire and water.

Rey Optimistic

Common Market Commissioner Rey summed up the end of the debate. On the subject of convertibility and the recent French currency and quota measures, he said: "We are profoundly glad that these measures have been taken in France. They testify to a degree of political courage and of clear-sightedness which, I must say, has impressed the whole world. We are also very pleased at the re-establishment of monetary convertibility, and we are not surprised that Herr Erhard, who has been its indefatigable advocate during recent years, is particularly happy today, and quite rightly so.

"But monetary convertibility does not solve all the prob-

lems. If in the monetary realm it may settle the principal exchange problems, it will not perhaps abolish more than part of existing quantitative restrictions, and it will certainly not solve a whole series of other problems, ranging from tariffs through the mass of other aspects of economic integration based on the Rome treaties."

"Past experience," said M. Rey, "gives us real hope that on January 30 it will be possible to work out the basis of a provisional program between the Community and its other European partners. It will then be possible to turn toward the definitive problems." He pointed out that the Commission intended to hold meetings with representatives of Common Market member governments and afterwards to engage in discussions with officials of any other OEEC countries which desired them to sound out their opinions "now that the fog of November 15 is somewhat dissolved." Between February 15 and March 1, the Commission planned to draw up its definitive document and propose a solution which would doubtless serve as a basis for further negotiations with the other OEEC countries.

"The solutions that we shall propose," said M. Rey, "will not be merely European; they will place the problem in its world-wide perspective. . . . A Community like ours must necessarily look further, in view of its responsibilities, which as everyone knows, are world-wide. It is the second industrial power and the first commercial power in the world. It cannot restrict its gaze to Europe, however important Europe may be. Its policies must be adapted to its responsibilities, which extend to the whole world."

At the end of the session, the European Parliament unanimously voted a motion approving the declaration made by President Hallstein on the European Economic Association.

Booming port of Amsterdam plays its part in the Community's world responsibilities which have been stressed by Commissioner Jean Rey.



TALKS FOR PROVISIONAL TRADE PROGRAM BEGIN

Meeting in Paris on January 14, the Community's Council of Ministers again tackled the question of a provisional program to help meet fears expressed by other members of OEEC on the occasion of the Community's first tariff cuts and quota enlargements. It decided there was no further objection in principle to bilateral negotiations, and talks subsequently began within the framework of OEEC.

When the Free Trade Area negotiations were suspended, the Community's Council on December 3, 1958, decided on a provisional program to extend to the Community's partners many of the mutual concessions made among Community countries on January 1, 1959 (for details see Bulletin No. 33). The British Government subsequently proposed that these concessions should include all those mutually offered within the Community as a first step toward the Common Market. The January 14th decision does not, for the time being, admit to such a principle, but it is intended to achieve a practical *modus vivendi* while awaiting a definitive solution. The EEC Commission will submit proposals for an eventual European Economic Association to the Community's Council of Ministers by March 1.

Toward a European Economic Association

Meanwhile, the Commission held talks at the end of January with representatives of the six member states. Commissioner Jean Rey participated in all of the discussions held in Rome, Bonn, Paris, and Brussels. Other Commissioners taking part in one or more of the sessions included: Robert Lemaignan, Piero Malvestiti, S. Leendert Mansholt, Robert Marjolin, Giuseppe Petrilli, Lambert Schaus, and Hans von der Groeben. The permanent representatives to the EEC of the six countries also attended the talks. From the discussions it was hoped that a common position would be developed which EEC member states could present in

Lights burn late in EEC headquarters on the Avenue de la Joyeuse Entrée, Brussels, as experts press forward their programs for the Common Market.



coming negotiations on a future European Economic Association.

In early February, EEC President Walter Hallstein traveled to Britain to take part in more discussions relating to the Common Market and a European Economic Association.

Free Trade Area Chronology

1955

June Foreign Ministers of the six ECSC countries meet in Messina and propose to work toward a Common Market for all goods.

1956

April Publication of "Spaak Report" sets forth how the Messina plan might be put into effect.

May Six Community governments approve the Spaak Report at a meeting in Venice. Negotiations for Common Market and Euratom begin.

July Harold Macmillan, then British Chancellor of the Exchequer and Chairman of the OEEC, announces in Paris that while Great Britain feels unable to join the Community, it might be associated with it in an industrial Free Trade Area together with other OEEC members. OEEC working party set up to study the proposal.

November British Parliament debates Free Trade Area plan with support of all major parties.

1957

January OEEC working party reports Free Trade Area plan feasible.

March Treaties for European Economic Community and Euratom signed in Rome.

August Reginald Maudling, British Paymaster General, appointed to coordinate British Free Trade Area plan.

October Negotiations open in Paris for Free Trade Area.

1958

January Rome Treaties come into force. Members of executives appointed.

June Commission proposes discussion of a provisional program when it becomes apparent that Free Trade Area negotiations are unlikely to succeed by end of year.

November Free Trade Area negotiations suspended.

December Community's Council of Ministers decides on provisional program to tide over effects of first Common Market tariff reductions and quota enlargements scheduled for January 1, 1959, and charges Commission to work out definitive proposals by March 1, 1959.

British Government makes counter-proposal that Common Market countries should extend to all OEEC members their first round of mutual concessions leading to a full Common Market.

French franc devalued. Partial convertibility announced by 11 European countries.

1959

January First Common Market tariff cuts and quota enlargements take effect.

Community Council of Ministers decides that bilateral negotiations for a provisional program be inaugurated.

HIGH AUTHORITY POSES KRUPP MERGER CONDITIONS

The High Authority of the ECSC announced on January 7 that it had authorized the Hütten- und Bergwerke Rheinhausen AG at Essen to acquire a majority of shares in the Bochumer Verein für Gusstahlfabrikation AG at Bochum. At the same time, the High Authority made it clear that it was using its right under the ECSC Treaty to make authorization conditional on special supervision of future steel investments by the firms concerned.

The High Authority's decision, under the treaty, is based only on economic evaluation of whether the proposed merger enables the firms to hinder competition or evade the treaty's rules. But the High Authority emphasized that this decision does not affect the obligations and responsibilities which may be incumbent upon the persons, firms, or governments involved as a result of the Allied High Command's measures for deconcentration of heavy industry in the Ruhr, with particular reference to the Krupp holdings.

The effect of the operation will be a merger between the Hütten- und Bergwerke Rheinhausen AG and its subsidiaries, on the one hand, and the Bochumer Verein and its subsidiaries on the other. Shares in the Hütten- und Bergwerke Rheinhausen AG are owned by the firm of Fried. Krupp in Essen, although the latter is not a steel-

producing firm.

The percentage of Community production affected by the merger is as follows:

hard coal	3.0%
coke	4.4%
pig iron	5.7%
crude steel	5.5%
rolled products	3.7%

In the High Authority's view, these percentages will not enable the firms either to hinder free competition within the Community or to evade their obligations under the treaty. But to insure against future dangers, the High Authority will specially supervise further proposed investments by the firms. These it will veto if their effect is to contravene the provisions of the treaty regarding authorization of mergers.

The two groups previously traded less than two per cent of the Bochumer Verein steel production and less than one per cent of the Hüttenwerk Rheinhausen steel production with each other. The merger will enable them to meet some 75 per cent of their metallurgical coke needs from their own joint coal resources.

U.K.-EURATOM PACT SIGNED

Euratom and the United Kingdom signed a 10-year Agreement for Cooperation at the Foreign Office in London February 4. The new pact, which aims at the peaceful development of nuclear energy within the Community, will open the Euratom market to reactors developed in Great Britain and will help users in the six Euratom countries gain experience in the field of natural uranium reactor technology.

Exchange of information, licensing of patents, and joint research are included in the agreement. Arrangements have also been made for supplying fuel for reactors obtained from England and for its processing after use. The agreement will facilitate construction of the Calder Hall type of reactor in the Community.

The pact provides that the contracting parties shall cooperate in developing and adopting suitable measures to provide adequate financial protection against third-party liability. It also provides for periodic meetings of representatives of both parties to consult on any matters developing from the application of the agreement, to supervise its operation, and to discuss the possibility of additional arrangements for cooperation. The U.K.-Euratom Agreement does not include financial measures as does the U.S.-Euratom Agreement which was signed in Brussels on November 8.

Signing for Euratom at the ceremony in London were the Messrs. Enrico Medi, Vice President, and Paul Hubert

de Groote, Heinz Krekeler, and Emanuel Sassen, Commissioners. Britain's Foreign Secretary Selwyn Lloyd and Paymaster General Reginald Maudling signed for the United Kingdom.

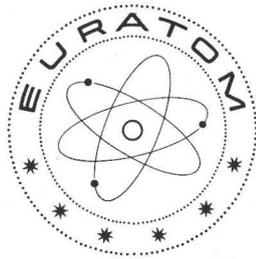
Earlier, Mr. Sassen had hailed the proposed agreement as opening "a gateway into the Euratom markets for British nuclear firms." The agreement, he said, was the first step in what the Commission hoped would become a "growing and intimate relationship between ourselves and the United Kingdom."

Great Britain has had a delegation accredited to Euratom since July 9, 1958. The U.K. delegation has also been accredited, since 1952, to the ECSC. The new U.K.-Euratom Agreement entered into force immediately upon signature.

Britain's Foreign Secretary Selwyn Lloyd with Euratom's Vice President Enrico Medi and Commissioner Paul Hubert de Groote at the signing of the U.K.-Euratom Agreement in London February 4.



EURATOM ESTABLISHES ITS COMMON MARKET



The common market for nuclear products went immediately into effect among the six nations of the European Atomic Energy Community on the first anniversary of the establishment of Euratom.

The customs union inaugurated on January 1 in a single stage is more extensive than that which the European Eco-

nomie Community hopes to realize over a period of 12 to 15 years.

At the same time, Euratom established a common external tariff for specific nuclear goods and products. In the case of reactors, reactor parts and heavy water, however, the application of this tariff has been suspended for three years. The nuclear tariff situation now in force includes:

- Nuclear fuels— duty free with one minor exception;
- Ores, raw materials and special fissile materials (List A-1 in the treaty)— duty free;
- Isotopes, heavy water, reactors and reactor parts, etc.— duties ranging from zero to 12 per cent, but duties on heavy water, reactors and reactor parts have been suspended until January 1, 1962.

CHRONOLOGY OF EVENTS IN THE EUROPEAN

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| <p>1957 Jan. 15 Fritz Dahlmann, German labor leader, elected President of the new Consultative Committee of the High Authority.</p> <p>Feb. 4-8 Visit of the "Three Wise Men"—Messrs. Armand, Etzel, and Giordani—to Washington. They subsequently proposed nuclear-energy goal for Euratom of 15 million ekw by 1967.</p> <p>Feb. 18-20 Chiefs of State of the Community nations meet in Paris. Agreement reached on treaties for Euratom and the Common Market.</p> <p>March 16 The Soviet Union assails the Common Market and Euratom treaties.</p> <p>March 25 Leaders of the six Community nations, meeting in Rome, sign the treaties establishing the European Economic Community and the European Atomic Energy Community.</p> <p>May 14 The High Authority's Fifth Annual Report presented to the Common Assembly.</p> <p>May 31- June 8 A juridical congress is held in Milan to survey the economic and legal significance of ECSC.</p> <p>June 2-4 Socialist parties of the six Community nations, meeting in Luxembourg, give full support to Euratom and the Common Market.</p> <p>June 4 The Council of Association between Great Britain and the High Authority meets in London. Britain announces offer to reduce steel tariff 10 per cent.</p> <p>June 19 The Council of Ministers agrees to harmonize rates for coal and steel traffic on the Rhine.</p> <p>July 15 The six governments approve "School-leaving Certificate" for graduates of the European School in Luxembourg, entitling them to enroll in any university within the Community.</p> <p>July 19 German Bundesrat affirms the July 5 decision of the Bundestag (Lower House) to ratify the Common Market and Euratom treaties.</p> <p>July 24 French Council of the Republic affirms the July 9 vote of the National Assembly to ratify the Common Market and Euratom treaties.</p> <p>Sept. 18 High Authority President René Mayer announces his decision to resign. Replaced by Paul Finet on January 13, 1958.</p> <p>Oct. 8 The Council of Ministers vests the High Authority with the responsibility for coordinating the separate power policies of the Community nations.</p> | <p>Oct. 10 The Italian Senate affirms the July 30 decision of the Chamber of Deputies ratifying the Common Market and Euratom treaties.</p> <p>Oct. 17 The OEEC Council announces its determination to establish a European Free Trade Area.</p> <p>Oct. 29 The UN General Assembly votes to examine prospective impact of the Common Market on the overseas territories.</p> <p>Oct. 31 Franz Etzel announces his resignation as First Vice President of the High Authority.</p> <p>Nov. 25 The United Kingdom and the ECSC sign an agreement to lower tariffs on iron and steel products.</p> <p>Nov. 26 The Luxembourg Chamber of Deputies votes by large majority to ratify the Common Market and Euratom treaties.</p> <p>Nov. 28 The Belgian Senate affirms the Nov. 19 decision of the Chamber of Deputies to ratify the Common Market and Euratom treaties.</p> <p>Dec. 4 The Netherlands Upper House affirms the Oct. 4 decision of the Lower House to ratify the Common Market and Euratom treaties.</p> <p>Dec. 9 The European Convention on Social Security for Migrant Workers is signed in Rome.</p> <p>Dec. 11 New building for the European School dedicated in Luxembourg. First started in 1953, the school has classes from kindergarten through secondary grades, and teaching is conducted in the four official languages.</p> |
| <p>1958 Jan. 1 Start of the European Economic Community and the European Atomic Energy Community.</p> <p>Jan. 6-7 Foreign Ministers of the Six appoint Walter Hallstein of Germany President of the Common Market Commission and Louis Armand of France President of the Euratom Commission. Other appointees to the nine-man Common Market Commission: Robert Lemaignen, Piero Malvestiti, Robert Marjolin, Giuseppe Petrilli, Michel Rasquin, Jean Rey, S. L. Mansholt, and Hans von der Groeben. (M. Rasquin died on April 27, 1958 replaced by Lambert Schaus.) Other appointees to the five-man Euratom Commission: Paul de Groote, Heinz Krekeler, Enrico Medi, and Emanuel Sassen.</p> | |

HIRSCH TAKES OVER EURATOM PRESIDENCY



Etienne Hirsch was appointed President of Euratom by the Council of Ministers February 2, succeeding Louis Armand, first President of the Commission, who resigned for reasons of health. Until taking over his new post, M. Hirsch had been, since 1952, Commissioner General of the French Reconstruction Plan (sometimes known as "The Monnet Plan.")

The new President, who at present lives in Paris, is a

civil mining engineer. He has long been a close associate of Jean Monnet, one of Europe's leading proponents of European integration who is presently head of the Action Committee for the United States of Europe.

During the formative stages of the Schuman Plan, M. Hirsch was associated with M. Monnet in helping to draft the treaty creating the European Coal and Steel Community. He was with M. Monnet in Algiers during World War II, serving as assistant director of armaments in preparation for Free France's military return to the Continent. Before the war, he was general manager of the Kuhlmann Chemical Company. Since 1951, he has been a member of the Scientific Council of the French Atomic Energy Agency. He is an officer of the Legion of Honor. The new President was born January 24, 1901, in Paris, is married and the father of four children.

M. Armand, 53, served as Euratom's President for just over a year. Previously, he had distinguished himself as President of the French National Railways.

COMMUNITY, 1957-58

*For Earlier Dates of Importance,
See Bulletin No. 21*

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| Jan. 13 | Paul Finet assumes office as President of the High Authority of the Coal and Steel Community. | Aug. 20 | U.S. Senate passes the Euratom Cooperation Bill, affirming the August 18 action of the House. |
| Jan. 14 | The Presidents of the three Communities meet in Luxembourg. | Aug. 29 | President Eisenhower signs the Euratom Cooperation Act of 1958. |
| Jan. 16-17 | Representatives of the free trade unions of the Six establish the European Trade Union Committee to serve interests of the workers in all three Communities. | Sept. 11 | Members of the Joint Committee on Atomic Energy visit Euratom headquarters in Brussels. |
| Feb. 3 | Benelux nations sign treaty establishing economic union. | Oct. 7 | The Court of Justice of the European Communities is inaugurated in Luxembourg, replacing the original Court of Justice of ECSC. A. M. Donner of the Netherlands takes oath as President. The other six Justices are: Louis Delvaux, Charles-Léon Hammes, Otto Riese, Jacques Rueff, Nicola Catalano, and Rino Rossi. |
| Feb. 9 | End of five-year transition period for the coal and steel common market. | Oct. 13-14 | The Council of Ministers takes up the question of the Community coal surplus. |
| March 13 | The U.S. becomes the first nation to establish diplomatic relations with the three Communities when Ambassador W. Walton Butterworth presents his credentials in Luxembourg. | Oct. 17 | First joint meeting between GATT and the Common Market opens in Geneva. |
| March 19 | The European Parliamentary Assembly elects Robert Schuman President at its first meeting in the Maison de l'Europe, Strasbourg. | Oct. 25-30 | OEEC representatives meet in Paris to discuss possibilities of an economic association between Common Market countries and the other 11 members of OEEC. Meeting adjourned without results. |
| March 20-April 4 | Joint U. S.-Euratom working party meets in Luxembourg. | Nov. 7-13 | Negotiations between the OEEC and the EEC resume in Paris but halt without settlement. |
| April 20 | The Official Gazette (<i>Journal Officiel</i>) of the ECSC is expanded to include all three Communities. | Nov. 8 | U.S.-Euratom Agreement for Cooperation signed in Brussels. |
| April 28-May 3 | A report on the negotiations for a Free Trade Area delivered by Reginald Maudling during this session of the Consultative Assembly of the Council of Europe in Strasbourg. | Nov. 26 | Helmut Allardt, EEC Director General for Overseas Countries and Territories, starts tour of non-European nations associated in the Common Market. |
| May 9 | Eighth anniversary of the Schuman Declaration for pooling coal and steel resources. | Dec. 3 | The Council of Ministers announces that tariff benefits be extended to all other member nations of GATT and that the quota enlargements be partially extended, on a reciprocal basis, to the 11 OEEC members outside the Common Market. |
| May 19 | The new Economic and Social Committee holds its first plenary session in Brussels. | Dec. 29 | Currencies of the six Community nations, Scandinavia, and Britain made convertible to non-residents. |
| May 21 | The Council of Ministers agrees to appoint a committee to draw up proposals for a European University. | Dec. 31 | Final preparations made for initial tariff cuts and quota enlargements, due on New Year's Day, 1959, as first step toward full Common Market. |
| June 23 | Memorandum of Understanding issued on the proposed joint nuclear power program between Euratom and the United States. | | |
| June 25 | The High Authority's second public loan in the United States, amounting to \$50 million, offered in New York and is quickly over-subscribed. | | |
| July 3-11 | Common Market Commission convenes the Agri- | | |

The European Community



Members of the European Community Also associated with the OEEC and GATT (*White Area*)
Belgium, France, Germany (Federal Republic), Italy, Luxembourg and the Netherlands.

Other Member Nations of OEEC (*Light Shaded Area*)

Austria, Denmark, Greece, Iceland, Ireland, Norway, Portugal, Sweden, Switzerland, Turkey and the United Kingdom.

Overseas Countries and Territories Associated with the European Economic Community

(*Ref. Articles 131 to 136 of the Treaty establishing the European Economic Community*)

French West Africa including: Senegal, the Sudan, the Ivory Coast, Dahomey, Mauretania, the Niger and the Upper Volta;

French Equatorial Africa including: the Middle Congo, Ubangi-Shari, Chad and Gaboon;

St. Pierre and Miquelon, the Comoro Archipelago, Madagascar and dependencies, the French Somali Coast, New Caledonia and dependencies, the French Settlements in Oceania, the Southern and Antarctic Territories;

The Autonomous Republic of Togoland; The French Trusteeship Territory in the Cameroons;

The Belgian Congo and Ruanda-Urundi; The Italian Trusteeship Territory in Somaliland; The Netherlands New Guinea.

The European Coal & Steel Community—established 1952.

The European Economic Community—The Common Market—established 1958.

The European Atomic Energy Community—Euratom—established 1958.

HIGH AUTHORITY'S NEW TERM OF OFFICE



President Finet as seen
by J. Sennep

Important changes may possibly be made in the membership of the nine-man High Authority of the ECSC in February when the present term of office of the nine members is due to expire.

Under the terms of the ECSC Treaty (Article 10) the governments of member states originally appointed eight members of the High Authority by agreement among themselves. These eight members then co-opted the ninth (Paul Finet, now President of the High Authority). Members were to remain in office for six years following the date of establishment of the common market for coal and steel (February 10, 1952). Since then, three members of the High Authority have resigned—Jean Monnet, its first president, replaced in June, 1955, by René Mayer who, with

Franz Etzel, resigned in October, 1957. The present composition of the High Authority is as follows:

<i>President</i>	PAUL FINET (Belgian)
<i>Vice Presidents</i>	DIRK SPIERENBURG (Dutch) ALBERT COPPÉ (Belgian)
<i>Members</i>	FRANZ BLÜCHER (German) LÉON DAUM (French) ENZO GIACCHERO (Italian) HEINZ POTTHOFF (German) ROGER REYNAUD (French) ALBERT WEHRER (Luxemburgian)

On the expiration of their term of office this February, members of the High Authority must, under the treaty, be appointed as follows: governments of the member states shall appoint eight members—by at least a five-sixths' majority—who in turn shall elect the ninth by a five-eighths' majority.

This is the only occasion for a complete renewal of membership except in the case where the High Authority is compelled to resign in a body by a two-thirds vote of censure by the European Parliament. From now on, one third of the High Authority's membership will be renewed every two years, alternately by government nomination and by vote of the remaining members.

Governments enjoy a veto right, subject to certain restrictions, on the nomination of the members. There is no provision in the treaty forbidding the reappointment of existing or former High Authority members.

High Authority members are not national representatives. Once appointed, they are not permitted to accept or solicit instructions from member governments or firms, to hold any interest in any businesses relating to coal and steel, or to exercise any other business or professional activities. The High Authority acts by vote of a majority of its members in the interest of the Community as a whole.

86th Congress Studies Euratom Cooperation Act

The Euratom Cooperation Act of 1958 was submitted to Congress on January 14, complying with the provision that it be subject to review by the 86th Congress for a period of 30 days before taking final effect. Hearings were held on the U.S.-Euratom program before the Joint Congressional Subcommittee on International Agreements January 21 and 22. Commissioner John F. Floberg of the Atomic Energy Commission and C. Douglas Dillon, Under Secretary of State for Economic Affairs, testified before the subcommittee.

The act pledges the United States to an appropriation of \$50 million for research and development over a five-year period, a long-term line of credit of \$135 million for construction of nuclear power facilities within the Community, fuel-life guarantees up to \$90 million, and an initial appropriation of \$3 million for fiscal year 1959. The act is expected to take effect officially on February 18. It supports the Agreement for Cooperation signed in Brussels November 8 which will remain in force for 25 years.

Community to Participate in New York Fair

The European Community will take part in the third annual United States World Trade Fair at the Coliseum in New York City May 8 to 19. All three—ECSC, Common Market, and Euratom—will be represented in the joint enterprise which plans to lease 3,000 square feet of floor space for the event. The U.S. World Trade Fair, a member of the *Union Internationale des Foires*, reported that more than 3,000 exhibitors participated last year, representing more than 60 countries. The six countries of the Community are also expected to take part individually.

JOURNAL OFFICIEL Subscribers to the Official Gazette—*Journal Officiel des Communautés Européennes*—are notified that the annual subscription is now \$5.00 and not \$6.00 as reported in the last issue of the *Bulletin from the European Community*. Subscriptions may be obtained directly from the Service des Publications des Communautés Européennes, 2 Place de Metz, Luxembourg.

Newsbriefs

Coal & Steel Community
EURATOM
Common Market

Common Market Transport

A 6.6-ton rectifier built by the Zocca plant at Camerlata, Italy, and en route to Paris, was the first item to benefit from the initial tariff reductions in the European Economic Community on New Year's Day. The event was celebrated by a ceremony in Como.

The Common Market Commissioner responsible for transport, Lambert Schaus, told the European Parliament on January 12 that the EEC Commission was considering the over-all transport situation in regard to the problem of extending its responsibilities to include aviation and transportation by pipeline.

The EEC Transport Committee met for the first time January 27 in Brussels. This committee is the 30-man consultative body attached to the Commission, with members appointed by the governments of the member states. Each government names one or two experts from among high officials of the central administrations and may designate a maximum of three other experts in the fields of railway, road transport and inland navigation.

Community Reports for 1959

Under the presidency of Franz Etzel, the Federal Republic's Finance Minister, the Community's Council of Ministers considered the budget proposals for 1958 and 1959 submitted by the Euratom and Common Market Commissions. The Council, meeting in Brussels, November 4, accepted the administrative budgets for 1958 and Euratom's research budget but decided to submit the proposals for 1959 to a high-level committee of national experts. This committee, which has the task of making economies in the proposed budgets, was to report not later than January 31 after consultation with representatives of the various Community institutions.

Until agreement has been reached by the Council, the new Communities (which, unlike the Coal and Steel Community, have as yet no direct source of revenue) will operate on temporary credits. The procedure for submission of the budget proposals to the European Parliament, which, under the treaty, should have taken place not later than October 31, was also delayed.

At the same time, the EEC and Euratom Commissions are now preparing their second general reports for submission to the European Parliament. The Euratom report must be completed by March and the EEC report by May. The first general reports of the two Commissions were published last September.

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COMMUNAUTÉ ECONOMIQUE EUROPEENNE
EUROPESE ECONOMISCHE GEMEENSCHAP
EUROPAISCHE WIRTSCHAFTSGEMEINSCHAFT
COMUNITA ECONOMICA EUROPEA

CERTIFICAT DE CIRCULATION DES MARCHANDISES
WARENVERKEHRSBESCHEINIGUNG
CERTIFICAAT INZAKE GORDERENVERKEER
CERTIFICATO PER LA CIRCOLAZIONE DELLE MARCHANDISES

(mention facultative)
Envoi n° _____, du _____
à destination de _____

DECLARATION DE L'EXPORTATEUR
Je, soussigné, _____
(Nom et prénom, ou raison sociale, adresse complète de l'exportateur)
exportateur des marchandises mentionnées ci-après, déclare que ces marchandises se trouvent en : _____
dans les conditions requises pour l'obtention du présent certificat
(Pays d'exportation)
Lieu de chargement : _____
A _____, le _____
(Signature de l'exportateur)

(1) Voir les notes ci-après.

VISA DE LA DOUANE DU PAYS D'EXPORTATION
Le fonctionnaire des douanes soussigné certifie avoir vérifié, au vu des documents présentés, l'exactitude de la déclaration qui précède.
Document d'exportation (n° et date) _____
A _____, le _____
(Signature du fonctionnaire)

Cachet du bureau

CONDITIONS DE DELIVRANCE DU CERTIFICAT DE CIRCULATION

En vue de l'application des dispositions du titre I de la 2^{me} partie du Traité instituant la Communauté Economique Européenne, un certificat de circulation peut être délivré par les autorités douanières de l'Etat membre d'exportation pour les marchandises rentrant dans l'une des catégories suivantes :

a) marchandises originaires de cet Etat membre d'exportation autres que celles visées au litt. c ci-après ;
b) marchandises en provenance de pays tiers pour lesquelles les formalités d'importation ont été accomplies et les droits de douane et taxes d'effet équivalent exigibles ont été perçus dans cet Etat membre d'exportation et qui n'ont pas bénéficié d'une ristourne totale ou partielle de ces droits et taxes ;
c) marchandises obtenues sous le régime du trafic d'entrepôt pour autant que les produits de pays tiers effectivement incorporés à ces marchandises aient satisfait les dispositions déterminées par la Commission en exécution de l'article 10, § 2, alinéa 2, du Traité instituant la Communauté Economique Européenne ;
d) marchandises primitivement importées d'un autre Etat membre à l'exportation auquel elles ressortissent à l'une des catégories a, b ou c ci-dessus.

CHAMP D'APPLICATION DU CERTIFICAT DE CIRCULATION

1. Sous réserve qu'il s'agisse de marchandises répondant aux conditions indiquées ci-dessus, il peut être délivré un certificat de circulation lorsque l'exportation est effectuée d'un Etat membre à destination d'un autre Etat membre.

To smooth the path for goods moving within the Community, the Common Market has instituted the above Certificate of Circulation, a sort of passport for merchandise.

Europe's Industries Prepare for Common Market

European industry and business are already reacting to the stimulus of the Common Market, whose full economic effects will not finally be felt until the end of the transition period between 1970 and 1973 when all the Community's internal barriers will have been reduced to zero.

Both on a six-nation scale and outside the Community, many links between the businessman and the industrialist of various European countries have been established. Trades and industries concerned include the following:

Aluminum household articles, cutlery, dental equipment, electric tools, electrodes, enamel ware, engineering and electrical, galvanization, machine tools, metalworking, office equipment, oil equipment, pharmaceutical, refrigerators, sewing machines, sheet iron, steel plate and boiler making, steel barrels and water heaters.

Economic and Social Committee Establishes Special Sections

The 101-man Economic and Social Committee, which acts as a consultative body for both the Common Market and Euratom, approved its draft rules of procedure in a plenary session at Brussels, November 27 and 28. These have now been accepted by the Council of Ministers. In the meantime, the committee had already set up the first of its six specialized sections which, like the committees of the European Parliament, will carry out much of the committee's detailed work.

The first section to get down to work was that concerned with nuclear energy, whose 30 members at once met to consider the draft proposals submitted by the Euratom Commission for basic standards on radiation hazards. Conclusions were subsequently discussed at a full session of the committee.

The other specialized sections of the committee will deal with agriculture, transport, overseas territories, social questions, and services.

First Study of State Aids and Grants

The first meeting of government experts from the six countries held to discuss aids from member countries which might tend to distort competition was held on January 28 in Brussels at the instigation of the Common Market Commission.

Pieter Verloren Van Themaat, Director General of the Division on Competition of the EEC, presided at the meeting. Discussion centered on establishing a study of types of aids presently used by member countries and methods to be followed for joint examination of the information between

the Commission and the member countries.

The meeting was called in accordance with Article 93, Section 1, of the treaty which reads: "The Commission shall, together with member states, constantly examine all systems of aids existing in those states. It shall propose to the latter any appropriate measures required by the progressive development or by the functioning of the Common Market."

It was decided to limit the first study to financial aid though other methods of granting help to enterprises will be examined later, as stipulated in Article 92 of the treaty.

The next meeting of the government experts on aid measures was set for April 8.

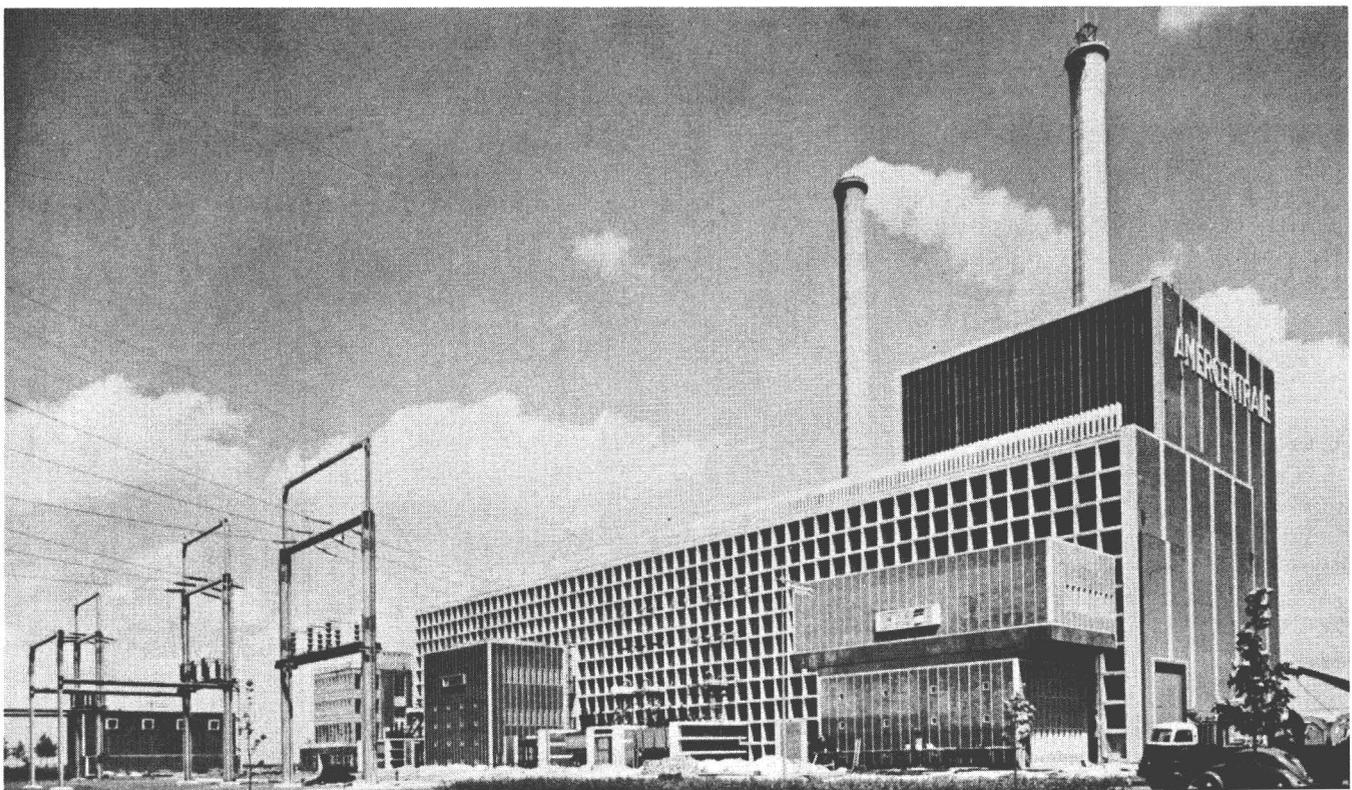
New President for Consultative Committee

Paul Baseilhac was elected president of the Consultative Committee of the ECSC January 15. M. Baseilhac, 51, is a former mining engineer and has been Director General of the Charbonnages de France since 1952.

The Consultative Committee was established by the ECSC Treaty to advise the High Authority on matters relating to coal and steel. It is composed of representatives of producers, workers, dealers, and consumers in equal proportions and must have a total membership of at least 30 but not more than 51. It is at present a 51-member committee.

Besides M. Baseilhac, other members of the committee's executive staff include Vice President R. Latin, Secretary General of the Belgian Federation of Metalworkers; Second Vice President Domenico Taccone, member of the managing board of Fiat; and the Messrs. Franz Dohmen, Catholic Trade Unionist from the Netherlands, Eric Conrot, Luxembourg steel producer, and Paul Roth, German coal consumer.

Modern installations like Amercentrale in the Netherlands are already reacting to the stimulus of the Common Market.



Robert Schuman Re-Elected President of the European Parliament

Robert Schuman, former French Premier and author of the Schuman Declaration which gave birth to the European Coal and Steel Community, was re-elected President of the European Parliament on January 7. M. Schuman has held this office since March, 1958, when the European Parliament, which replaced the Common Assembly of the ECSC, held its inaugural meeting as the assembly for all three European Communities.

Consultative Assembly Lauds ECSC

Meeting in Strasbourg following the January session of the Community's European Parliament, the Consultative Assembly of the Council of Europe on January 20 voted resolutions on the reports submitted to it by the three European Executives (ECSC, Common Market, Euratom) on the occasion of its joint meeting with the European Parliament. The resolutions stressed the importance of the Community's links with non-member countries, thanked the EEC Commission for its efforts toward a European Economic Association, and congratulated the ECSC on its tariff agreement with the United Kingdom and on the level of its harmonized external tariff on coal and steel, established in February, 1958. This harmonization, the resolutions said, implied a reduction of the average protection offered by the previous national tariffs.

Coal and Steel Production Dips

The calendar year 1958 showed a not-surprising drop in the production of coal and steel within the Community under the 1957 figures. Despite the recession, however, the drops were not excessive. As compared with 59,805,000 tons of steel produced in 1957, output for 1958 reached 57,946,000 tons, off 3.1 per cent. Coal production for 1957 amounted to 247,888,000 tons, as compared with 246,363,000 in 1958, a drop of 0.62 per cent.

Pig-iron production similarly declined last year. From a total of 45,114,000 tons in 1957, output dropped to 43,525,000 in 1958, down 3.5 per cent.

One country to show no effects of the recession in these three industries was the Netherlands where output of steel, pig iron, and coal increased in 1958 over 1957. The Federal Republic, on the other hand, suffered, particularly in steel and pig-iron production.

Mine Accident Indemnity

The High Authority has authorized a grant of 750,000 French francs (about \$1,500) to families of the five victims of the accident that took place in the Roncourt iron mine. A tunnel collapsed January 17. The mine is located in the Department of Moselle.

Italians Appeal High Authority Fine

The Italian steel company of Mattiorlati, Dalmas & Sons has appealed to the Court of Justice of the three Communities against a fine imposed by the High Authority in November, 1958, for alleged infringement of the Treaty.

Job Evaluation Studied

Approximately 140 persons took part in the Study Session on Job Evaluation, conducted by the High Authority in Luxembourg. The three-day session was held December 10 through 12. Those attending included representatives of employer and worker organizations, the Committee on Social Affairs of the European Parliamentary Assembly, the EEC, the International Labor Office, and the European Agency on Productivity.

Eight reports were presented during the course of the meetings on the problems involved in developing standardized job evaluations throughout the Community. The representatives asked the High Authority to continue its studies and to concentrate especially on:

1. establishing a common job terminology;
2. formulating parallels between countries;
3. coordinating information on problems posed by the application of job evaluation and setting up standards of normal output.

Europe's Tourist Industry Expands

Europeans are traveling in greater numbers, according to a recent report from OEEC, whose tourism committee announced that intra-European tourist travel is expanding at a steady rate of nearly eight per cent every year.

Publications Available

The following publications are now available from the European Community Information Service:

COAL AND STEEL

SIXTH GENERAL REPORT ON THE ACTIVITIES OF THE COMMUNITY, April 13, 1958 \$2.00

CARTE DE TRAVAIL DE LA CECA—FONTE ET ACIER, a wall chart showing type, production, and location of iron and steel plants in the Community (in Dutch, French, German and Italian) \$1.20

LES INVESTISSEMENTS DANS LES INDUSTRIES DU CHARBON ET DE L'ACIER DE LA COMMUNAUTE: Situation au 1^{er} Janvier 1958 \$1.00

INTERNATIONAL ASPECTS OF PROBLEMS OF COMPETITION IN THE ENERGY SECTOR, an address by Rudolf Regul, October 14, 1958 free

COMMON MARKET

FIRST GENERAL REPORT ON THE ACTIVITIES OF THE COMMUNITY (January 1, 1958, to September 17, 1958) \$6.00

LE MIDI DANS LE MARCHÉ ITALIEN, with a foreword by Enzo Giaccherio, August 1957 free

EURATOM

REPORT ON THE POSITION OF NUCLEAR INDUSTRIES IN THE COMMUNITY, June 30, 1958 \$1.50