



# *europaean community*

COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM

## EEC COUNCIL TAKES STEPS TOWARD COMMUNITY UNITY

### Ministers Discuss Executive Merger and Strengthening Parliament

THE EEC COUNCIL OF MINISTERS was scheduled to discuss March 23-25 recommendations for achieving a more unified Community.

Another meeting is tentatively planned for April 13-15.

The recommendations, made by the six EEC member countries' Permanent Representatives (to the Community) concern:

- Creating a single Council of Ministers.
- Creating and financing a single Community executive.
- Fusion of the Rome and Paris Treaties.
- Strengthening the European Parliament.

In September 1963, the Council requested the six governments' Permanent Representatives to prepare a series of reports on major problems raised by the proposed merger of the Communities. The reports, submitted first to the member governments, were reviewed by the Council February 24-25.

#### Merger Deadline Set

On the basis of the study, the Council decided that the Community executives should be merged by January 1, 1965 and a new treaty fusing the three Communities—the European Economic Community, the European Coal and Steel Community and the European Atomic Energy Community—should become effective by January 1, 1967. The Council directed the Permanent Representatives to draft detailed proposals for the merger of the executives by April, 1964.

The creation of a single Council of Ministers poses little difficulty, the study said. The unified Council would still determine the broad outlines of Community policy and would consist of the six governments' representatives. However, a new voting procedure might have to be used until harmonization of the Rome and Paris Treaties. The Rome Treaty, establishing the Common Market, requires the Council to decide major policy matters by unanimous vote except in a few specified cases. The ECSC Council of Ministers, however, decides most Community policy by qualified majority vote as set out in the Paris Treaty.

The report debated two questions which must be decided

by the EEC Council—the name and size of the proposed Community executive. The title, "European Community Commission" has been suggested.

At its February meeting, the Council was unable to agree on the number of members for the new executive. Proposals for either nine or 14 members are being considered. A nine-member executive would include two members each from Germany, France and Italy and one member each from Belgium, the Netherlands, and Luxembourg.

The Representatives recommended that Commission members be nominated by the Council of Ministers, discontinuing the present ECSC High Authority "co-opt" practice. The report also supported the Rome Treaty provision enabling the European Parliament to oust the Commission by a two-thirds vote of censure over the Paris Treaty stipulation that the European Parliament can dismiss the High Authority only after debating its annual report.

A single administrative system should be established by the new unified Commission within one year of its inception, the report said. However, the administrative department site could depend on the location of the new Commission headquarters.

The seat of the proposed executive must still be decided by unanimous agreement of the Six. The Euratom and

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EEC Commissions are presently located in Brussels and the ECSC High Authority is lodged in Luxembourg.

## Executive's Finance Studied

The Paris and Rome Treaties also differ on budgetary and financial matters, the report pointed out. The ECSC budget must be approved by the Committee of Presidents of the High Authority, the ECSC Council of Ministers, the European Parliament, and the European Court of Justice. The Common Market and Euratom budgets are approved by the Council of Ministers. The ECSC is financially independent in that its operations are financed by a levy on Community coal and steel production, while the Common Market and Euratom rely on contributions from the six member governments. The Permanent Representatives suggested that Community coal and steel activities continue to be financed by the levy and that the Council of Ministers act as sole budgetary authority for the merged executive.

However, the report said that the European Parliament must continue to exercise some control in the Commission's finances. In addition, the ECSC expenditure for technical development aid and social readaptation of coal and steel workers and Euratom's research budget must be treated separately from the proposed European Commission administrative budget.

The report also listed traditional Parliamentary functions to be continued after the establishment of a single Community executive. These functions, extending the Parliament's duties beyond Treaty limits, are: verbal questioning of executive members during debate; the twice-yearly verbal reports by the Council of Ministers; and Council participation in some Parliament committee meetings.

The Representatives' report suggests three additional ways to increase the Parliament's powers: submitting international agreements concluded by the Community to the Parliament for approval; allowing Parliament to balance some Community administrative expenditures; and increasing Parliamentary control over the Community's Agricultural Guidance and Guarantee Fund. The report also recommended that direct election of the Parliament be considered at the same time as the merger of the Treaties.

## Internal Tariff Cuts Discussed

At the February 24-25 meeting, the Council also considered an acceleration of internal tariff cuts proposed by German Economics Minister Kurt Schmoecker earlier in the month. EEC Commission President Walter Hallstein endorsed the accelerated 20 per cent cut on January 1, 1965 as opposed to a presently planned 10 per cent reduction. "If the accelerated cut is made, a complete tariff union for industrial products should be established on January 1, 1966 and consequently, a complete common external tariff," he said. "The acceleration would reinforce the Community as an economic union and allow the Six to concentrate on external relations."

President Hallstein pointed out the necessity for a harmonization of social policy and a common trade policy, which he said had been "inexcusably delayed."

The Council also approved Germany's request for a trade agreement with Bulgaria effective until December 1, 1966. An earlier Council decision allows Germany to conclude agreements with certain Eastern-bloc countries effective until December 31, 1965.

The Kennedy Round trade negotiation, United Nations Conference on Trade and Development, and agriculture dominated the EEC Council meeting March 9 and 10.

EEC Commissioner Jean Rey reported on the Common Market delegation's talks in Washington March 5-6 with United States Administration officials concerned with the Kennedy Round and Atlantic affairs (See page 4).

## U.N. Conference Position Urged

In preparation for the United Nations Conference on Trade and Development which opened March 23 in Geneva, Commissioner Rey advocated the adoption of a Community position on agriculture; price stabilization for raw materials; and general tariff preferences for developing countries.

The Council designated Maurice Brasseur, Belgian minister of foreign trade and technical assistance, to express the Community position on the opening day of the Conference. Commissioners Rey, in charge of external relations, and Henri Rochereau, in charge of overseas development, will also participate in ministerial discussions.

Terms of reference were adopted by the Council for Community negotiations with Israel on oranges, tariff and quota concessions and the establishment of a joint Commission. The Council also specified possible contents of a trade agreement between the Community and Lebanon.

The Council formally approved a regulation setting the minimum and maximum guide prices for beef and veal for the 1964/65 marketing year. Per 100 pounds, the guide price for beef will be not less than \$23.29 or more than \$26.70. The minimum and maximum limits for veal will be \$34.66 and \$39.20 respectively.

A second directive for the co-ordination of pharmaceutical legislation was submitted for opinion to the European Parliament and Economic and Social Committee. The first proposed directive, under Council consideration, standardizes the sale conditions and the labeling of branded pharmaceuticals. The second directive contains rules for implementing these conditions, such as uniform quality standards and controls for manufacturers, standardized inspection rules for public authorities and a system for publishing information on pharmaceutical quality decisions.

## Morio Yukawa Appointed Japan Ambassador

His Excellency Morio Yukawa was received by Pierre Chatenet, President of the Euratom Commission, February 19, as Japan's Ambassador to the European Communities, replacing Takeso Shimoda.

Prior to his present post, Mr. Yuhama served for three years as assistant secretary general of economic affairs in Japan. Mr. Yuhama entered the Japanese diplomatic corps in 1933, assigned to London and Geneva. He was twice named director general of economic affairs, in 1951 and 1955. Mr. Yukawa was appointed in 1952 Japan's counselor to Paris and permanent representative to UNESCO. He also served as ambassador to Manila in 1957.

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# TARIFF STUDY SHOWS COMMUNITY LESS PROTECTED THAN U.S.

THE COMMUNITY'S common external tariff averages lower than either the United States or United Kingdom tariff—with less spread and fewer high duties—according to a recent European Communities Statistical Office study, "Statistical Comparison of the EEC Common External Tariff, the United States Tariff and the Tariff of Great Britain and Northern Ireland."

Comparison of the simple averages of all industrial tariffs showed that the United Kingdom maintains the highest overall level of protection followed closely by the United States—United Kingdom, 18.4 per cent; United States, 17.8 per cent; and the Community, 11.7 per cent.

## Non-Weighted Method Used

The report, by Marcel Mesnage, Division Chief of the Statistical Office, employed the non-weighted rather than a weighted method to calculate the tariffs. "Comparisons of duties weighted by quantities imported understate the impact of high duties," the report said. "It is very difficult to reconcile the tariff and statistical nomenclatures for a number of countries and to work out a common system of weighting. In this case non-weighted comparisons have been used, but the tariffs have been reclassified on common lines."

Charting the distribution of the three tariff levels, the study said, ". . . the common external tariff, in relation to the other tariffs, has more average duties, fewer low duties and still fewer high duties: 80 per cent of the duties are between 4 and 19 per cent. The distribution of the United States tariff is the widest and the most asymmetrical. It includes more low or zero duties but, above all, more high and even very high duties . . . 80 per cent of the duties are between 2 and 38 per cent. The distribution of the United Kingdom tariff is rather narrower than the United States tariff but it is also rather asymmetrical. Its salient feature is that it is concentrated at three levels of duty (10 per cent, 20 per cent and 33 per cent) . . . 80 per cent of the duties are between 7 and 34 per cent.

"The proportion of zero duties does not greatly differ from one tariff to the other. It is 8 per cent for the common external tariff and United Kingdom tariff and 10 per cent for the United States tariff. The proportion of duties at or below 10 per cent is 41 per cent in the common external tariff, 35.5 per cent in the United States tariff, and 38.5 per cent in the United Kingdom tariff.

## Low-Range Tariffs Compared

"Ninety-six per cent of the common external tariff duties are at 20 per cent or less, as against 72 per cent for the United States tariff and 69 per cent for the United Kingdom tariff. Only an infinitesimal proportion (0.3 per cent) of the common external tariff duties is above 25 per cent whereas the proportion is 21 per cent for the United States and 25 per cent for the United Kingdom. Thirteen per cent of United States duties and 21 per cent of United Kingdom duties are even above 30 per cent."

(A formula proposed by the EEC for the Kennedy Round trade negotiation would define a tariff disparity as occurring when one country's tariff was twice as high as another country's with a difference of at least 10 percentage points.)

The tariff analysis shows a difference of 10 or more points existing between the Community and the United States for 30 per cent of all products and between the Community and the United Kingdom for 31 per cent of all products. "Sixty-two per cent of the United States duties and 71 per cent of the United Kingdom duties are higher than the common external tariff duties," the report said.

"The United States and United Kingdom duties are more than 10 points above the common external tariff duties in 25.5 and 29 per cent of cases respectively, and more than 20 points higher in 12.6 per cent and 8.2 per cent of cases. Above 40 points the deviation frequency becomes negligible for the United Kingdom tariff, but is still 2.9 per cent for the United States tariff."

## Raw Material Tariffs Low

Average tariff levels for the major product categories are lowest for raw materials, rising through semi-finished goods to the highest levels on finished manufactured items. However, the averages vary little from one category to another, the report pointed out. The average level of the common external tariff is below that of the other two tariffs.

For raw materials and energy products, the common single duty is zero in 74 per cent of cases in the Community tariff and in 46 per cent in both the United States and the United Kingdom tariffs. Chemicals, textiles and miscellaneous manufactured products are most highly protected in the three tariffs.

The United States and United Kingdom duties were taken from a report, "Atlantic Tariffs and Trade," published by Political and Economic Planning in London, 1962. The Community duties apply from July 1, 1963 and include Dillon Round reductions. For the three tariffs, the report used conventional duties established at General Agreement on Tariffs and Trade (GATT) for the most-favored-nation. Ad valorem estimates were made for specific or mixed duties and temporary reductions or suspensions were ignored.

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## Council of Ministers Reject German Appeal

Germany opened its frontiers February 12 to Community and non-Community egg imports in conformance with an EEC Commission ruling against application of the agricultural safeguard clause.

The German government announced a ban on egg imports February 3 under the safeguard clause of the Community's common farm policy allowing a member country to suspend imports of certain products if its domestic market is seriously threatened. The Commission ruled on February 6 that the German ban was invalid on the grounds that German egg price deterioration had not been caused by imports.

Imports of eggs into Germany have been declining steadily for several years. Production in that country, increasing over the same period, continues to grow while consumption has declined.

Germany withdrew its appeal against the Commission ruling upon rejection by the Council of Ministers February 12.

# U.S., EEC OFFICIALS DISCUSS KENNEDY ROUND PREPARATIONS

## Talks Affirm Starting Date, Show Progress on Disparities Solution

EEC COMMISSION and United States Administration officials expressed optimism for the 'Kennedy Round' trade negotiation and confirmed May 4 as its starting date during discussions in Washington March 5-6.

The Common Market delegation, headed by Commissioner Jean Rey and Vice Presidents Sicco Mansholt and Robert Marjolin, met with Secretary of State Dean Rusk; Under Secretary of State George Ball; Governor Christian Herter, the President's Special Representative for Trade Negotiations; John W. Tuthill, United States Ambassador to the European Communities; and Secretary of Agriculture Orville Freeman.

The meetings, devoted primarily to the forthcoming round of international trade negotiations in GATT, were part of a series of periodic consultations between the Community and United States.

### Kennedy Round Success Stressed

The final communiqué of the meetings read, "The two delegations emphasized their strong determination to achieve the success of the trade negotiations, which will open on May 4, 1964. The meeting afforded a useful opportunity to exchange views on the rules and procedures to be accepted when the negotiations begin. The two sides reiterated the importance of a substantial equilinear tariff reduction with a bare minimum of exceptions, as well as of special rules to apply to cases where there are disparities in tariff levels that are significant in trade terms."

Regarding disparities, the communiqué said: "The conversation focused on the EEC's proposal of last December and the counterproposals presented as working hypothesis by the United States in Geneva last month. In particular, there was a full exchange of views regarding the criteria which would be attached to an arithmetical formula for identifying cases of significant tariff disparities. The two sides agreed that these proposals should be further examined as a matter of high priority with a view to ensuring that the negotiations will get off to a good start on May 4."

The two delegations also discussed how agricultural products would be treated in the negotiations.

The three EEC Commission members told a press conference following the talks that the Kennedy Round would begin on schedule May 4 and that it could come to a successful conclusion in "about one and a half years."

*Trade Talk: The 'Kennedy Round' was discussed in Washington by EEC and Administration officials March 5-6. Left to right: John W. Tuthill, United States Ambassador to the European Communities; EEC Commission Vice President Robert Marjolin; EEC Commissioner Jean Rey; Governor Christian Herter, the President's Special Representative for Trade Negotiations; Secretary of State Dean Rusk; and EEC Commission Vice President Sicco Mansholt.*

"In the past two days, we have looked for means to cover the ground between the EEC and United States on industrial tariff disparities," Commissioner Rey said. "We feel the problem can be resolved by May 4 . . . We are ready to discuss this problem not only with the United States but with our European neighbors as well."

A high United States Administration official, in a press briefing the same day, said that the United States and the Community were fairly close to agreement on disparities and that "agreement could be reached in another meeting or two in Geneva." He said that the differences between the United States and the EEC lay with secondary criteria rather than the number of disparities.

The United States official also said that exceptions from the negotiation must be balanced and the exceptions lists of all the GATT partners would be presented simultaneously later this year, sometime after May 4.

During the EEC press conference, Vice President Mansholt described the Commission's proposal for agriculture negotiations in the Kennedy Round. "We propose to consolidate in GATT the total protection of all agricultural policies," he said. "We are optimistic as far as the result is concerned."

### EEC Proposes World Agreements

However, he pointed out that Secretary of Agriculture Freeman did not share the Commission's views concerning the approach to the negotiation. "Secretary Freeman wants to find certain access guarantees in the market," Mr. Mansholt said. "What we are willing to come to is world agreements on certain products—cereals, rice, sugar, fats and oils, meats. We are going to start with cereals."

Vice President Mansholt said that he still hoped a common Community cereal price level for 1966 might be established before the beginning of the Kennedy Round. "It was not possible to arrive at a 1964-65 price level," he said. "However, it may be possible to set the 1966 level in our Council of Ministers meetings of March 23-24 or April 14-15."

The Community is not prepared to negotiate the Community's agricultural target prices in the Kennedy Round, Vice President Mansholt said.

### U.S. Makes Counter-Proposals

Agricultural proposals, presented since in Geneva, were also offered by the United States during the discussions, a high U.S. Administration official said.

In addition to the Kennedy Round, the EEC and United States officials discussed economic situations in both the United States and Europe, inflation dangers in Europe, balance of payments problems, and the United Nations World Trade Conference.

The three EEC Commission members were accompanied by Louis Georges Rabot, EEC director general for agriculture; Theodorus Hijzen, special representative of the Commission for GATT negotiations; Pierre Lucion, Commissioner Rey's executive assistant; and Michel Hedreul, counselor to Vice President Marjolin.





# WORLD WHEAT TRADE UNCHANGED BY COMMUNITY GRAIN POLICY

## Vital Price Decisions Yet To Come, Wheat Council Report Points Out

THE COMMUNITY'S grain-market regulations have made little difference to the pattern of trade between the Community and non-member countries, according to "A Study of the First Working Year of the EEC Grain Regulations in Relation to World Wheat Trade," published in January by the International Wheat Council.

"Nor has access to the Community market by external suppliers been significantly impaired by consequences flowing directly from the introduction of the new system," the report said. The new regulations for the gradual harmonization of national wheat policies (Regulation 19) took effect August 1, 1962 as part of the Community's common agricultural policy.

### France Felt Trade Changes

Changes in the pattern of trade in 1962-1963 had an adverse effect mainly on soft wheats and their suppliers, the report said, affecting France at least as much as non-EEC countries. Some difficulties occurred in the market for filler wheats, but individual countries' experiences differed. The U.S.S.R. succeeded in maintaining its trade at the 1961-1962 level to a greater extent than any other third-country exporter, and actually increased its trade with the Federal Republic of Germany and the Netherlands.

"Suppliers most likely to be affected now and in the future (both inside and outside the Community) are those whose trade was previously tied by some form of bilateral arrangement which cannot be continued under the new system," the report said.

The study warns that its conclusions are provisional and must be considered in relation to two exceptional factors in 1962-63—abundant Community harvests in 1962, and the turnover of stocks and some advance buying. Grain stockpiling prior to the new system's enforcement inflated import figures for 1961-1962, the report said.

### Vital Decisions to Come

"The operation of the EEC system in 1962-1963 had little influence on longer term trends which have maintained and even raised production in the face of a stable level of consumption of wheat for food," the report said. "Regulation

19 has introduced a uniform mechanism and, although in some countries this has involved fundamental changes of some importance, the vital decisions which will significantly accelerate or interrupt these trends, and thereby exert a profound influence upon the interests of non-member countries, still lie in the future."

"Under the new system, the really significant factor will be the shaping of Community policy in regard to the level of target prices, and the consequences of that policy for the trend of internal production, which will determine what proportion of total requirements remains to be filled by external suppliers."

### System Altered Price Support

The uniform cereal system has involved major changes in the organization of the Community wheat market and price support in all six countries, the report said. "In particular it has led to a substantially greater use of the price mechanism in the regulation of the market and a sharp reduction in intervention by state agencies in imports and exports and in supporting domestic prices. At the same time, the uniform system took over, and indeed maintained, many of the particular features of the existing national policies, especially in relation to price support. Thus, as far as the level of price support and utilization of domestic wheat are concerned the situation appears to have remained virtually unchanged."

The levy system has not created any major problems for wheat traders in conducting their daily business, the study said. "In the very early stages, there may have been certain temporary difficulties and some minor initial dislocations, but . . . traders rapidly discovered how to adjust themselves to the new conditions, and the procedures for consultation have provided not only the means for ventilating particular problems but for securing changes. . . ."

The report, assessing the cereal regulations in relation to the International Wheat Agreement and international trade, was prepared by representatives of Australia, Belgium, Germany, India, the Netherlands, Great Britain, the United States, the United Nations Food and Agriculture Organization (FAO) and the EEC Commission.



## ECSC FORECASTS RETURN TO STABLE COAL OUTPUT

THE COMMUNITY COAL SITUATION will return to a more normal level during April, May and June, compared with the same period last year, according to ECSC High Authority estimates.

The improvement in the coal situation will be due to a milder winter and restocking to prevent a reoccurrence of last winter's shortages. Coal supplies should also remain plentiful for household use.

Output for the second quarter of 1964 is estimated at 56.8 million metric tons—1.2 million metric tons above the same period last year. The 1963 French miners' strike reduced output considerably, consequently this year's figures represent a continued annual production rate of about 230 million metric tons, the High Authority said.

*Washington Meeting: European Coal and Steel Community officials met in Washington March 13 with members of the United Administration and international organizations concerned with economic and financial affairs. Left to right: Karl-Maria Hettlage, ECSC High Authority member; Edmund Wellenstein, High Authority secretary general; Harold Linder, President and Chairman, Export-Import Bank; and Hans Skribanowitz, High Authority director general for credit and investment. The ECSC group also talked with Under Secretary of State George Ball; Assistant Secretary of State for Economic Affairs G. Griffith Johnson; Under Secretary of the Treasury for Monetary Affairs Robert Roosa; and George Woods, President, International Bank for Reconstruction and Development.*

Imports are expected to drop to a more normal level of about 7.5 million metric tons compared to last year's inflated figures caused by heavy demand for coal for domestic heating. Based on this quarterly figure, the year's imports should reach some 30 million metric tons. Exports show no change.

The High Authority expects internal demand to reach about 62.8 million metric tons, approximately 3 million metric tons less than the same period last year. However, real consumption is not likely to change much because of moves in stocks. Coal demand is presently strong due to steady industrial expansion at an annual rate of 5 per cent and the recovery of the iron and steel industry, the High Authority said.

Total Community coal stocks should reach about 12.3 million metric tons at the end of June 1964.

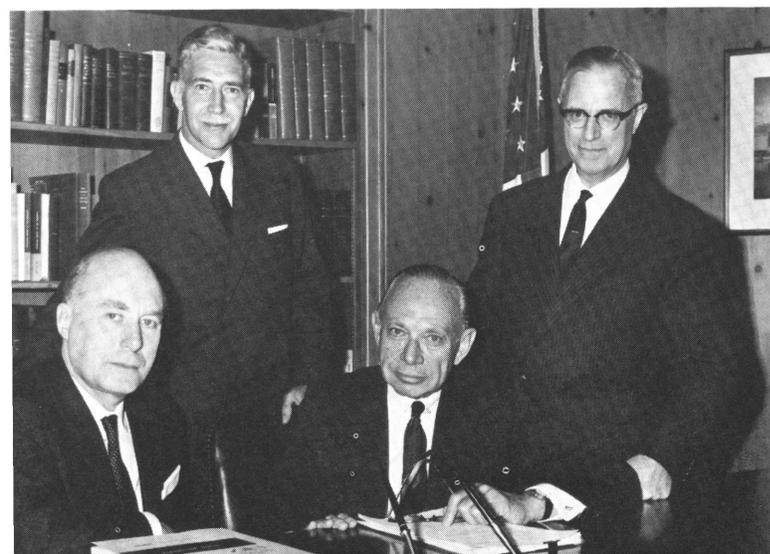
The following figures are forecast for the second quarter of 1964 compared with the same period last year (million metric tons):

SUPPLY		
	1964	1963
Coal Production	56.8	55.6
Imports	7.6	8.6
Total	64.4	64.2
REQUIREMENTS		
	1964	1963
Internal Demand (Including mines)	62.8	65.7
Exports	0.8	0.8
Total	63.6	66.5
Changes in stocks at production or import	+1.1	-1.9

### Coke Demand Stable

The steel industry's recovery has raised demand for coke above the same period last year, the High Authority reports. However, a drop in domestic consumption leaves total coke demand at about the same level as last year—17.3 million metric tons.

Coke-oven production is estimated by the High Authority to reach 18.3 million metric tons. Stocks at production will total about 2.5 million metric tons after restocking 200,000 metric tons in the first quarter of 1964.



# HIGH AUTHORITY TAKES NEW INITIATIVE ON ENERGY POLICY

THE ECSC COUNCIL OF MINISTERS is scheduled to discuss April 21 High Authority proposals for a common energy policy.

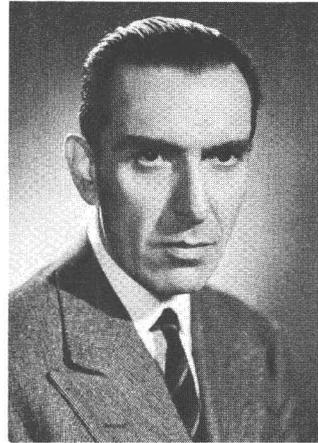
The proposals, presently being prepared by the ECSC High Authority, will concern an interim solution for coal subsidies. In determining the policy proposals, the High Authority is studying the modernization of German coal mines and French, Dutch and Belgian assistance to their coal industries.

Announcing the new initiative on energy policy to the European Parliament, January 22, President Rinaldo Del Bo said that national supports to coal industries must be placed within the framework of the Paris Treaty, to be authorized and controlled by the High Authority.

After consultation with Euratom and EEC Commission presidents and the Energy Interexecutive Committee, President Del Bo toured the member countries seeking support for the new initiative in the long-debated policy. Discussions with the Six's ministers responsible for energy matters formed a basis for further talks on solving the coal subsidies problem, he reported.

The Community energy market is developing a dependence on imports from other countries, according to a yearly report, "Energy Economy Trends in the Community." The report, prepared by the High Authority in cooperation with the Euratom and EEC Commissions, describes the 1963 energy situation and the prospect for 1964. It will also be examined by the Council during its April meeting.

The percentage of imports in the Community's total energy supply will reach 45.5 per cent in 1964 as against 42.9 per cent in 1963 and 38 per cent in 1962, the report says. Based on an estimated growth of 2 per cent in consumption over 1963, total energy consumption in 1964 will attain 568 million metric tons of coal equivalent.



Rinaldo Del Bo  
President  
ECSC High Authority

The consumption of energy sources is forecast as follows:

	% 1962	% 1963	% 1964
Coal .....	48.3	45.8	43.0
Lignit .....	6.9	6.5	6.4
Oil .....	34.1	36.7	39.5
Natural Gas .....	3.5	3.4	3.5
Hydro-electric and Nuclear Power	7.2	7.6	7.6

The 1964 forecasts indicate that structural supply changes will continue without major disturbance. The report warns, however, against conclusion that the situation has become more favorable.

The report forecasts a 1964 increase in coal consumption by the steel industry and power stations. However, domestic consumption is expected to decline due to normal weather conditions.

The report also cautions against rapid increases in coal prices to avoid a premature switch to substitute sources of energy.



## United States Ships Enriched Uranium for Selni

The first consignment of enriched uranium (5,015 kg. enriched to 2.7 per cent) provided under the United States-Euratom fuel supply contract was flown from New York March 3 to power the 242 MWe pressurized water reactor, SELNI (Società Elettro-nucleare Italiana), near Milan.

The United States Atomic Energy Commission signed on September 25, 1963 a contract with the Supply Agency of the European Atomic Energy Community providing up to 8,000 kg. of enriched uranium for the SELNI reactor. A second contract between the Euratom Supply Agency and SELNI covering the use and consumption of the nuclear fuel was signed on the same date.

The reactor is nearing completion at Trino Vercellese, Italy.

*Fuel for SELNI Reactor: The first consignment of enriched uranium provided under the U. S.-Euratom fuel supply contract is carefully secured for its flight from New York to Italy.*

# EUROPEAN SCHOOLS BROADEN EDUCATIONAL FRONTIERS

## History and Geography Are Taught Minus Regional Emphasis

by Danièle Heymann, "L'Express" Women's Correspondent

IT MAY TAKE A GENERATION for the economic reality of a united Europe to become an historic or even geographic fact. Until then, a great effort is being made to teach history and geography with an objective, overall view in European schools.

In the past, a European's historical perspective was colored by the region in which he attended school. Even geography was a local affair. The source and mouth of a particular river were often wrapped in mystery if, unfortunately, they lay outside the frontiers of a man's own country. The smallest plateau in his homeland took on Himalayan proportions for the want of standards of comparison in the outside world. Today, European schools are attempting to replace this fragmentary and parochial approach to geography and social sciences with a European emphasis.

The replacement of all national textbooks for European ones, to be used by young Europeans everywhere, can only be achieved gradually. However, the preparation of revised national textbooks, which are exchanging their former national self-consciousness and bias for a wider objectivity, has begun.

### Bias Receives Attention

The problem of removing bias from textbooks has received considerable attention from European educators. In 1950, the United Nations Educational, Social and Cultural Organization (UNESCO) conducted two major conferences in Brussels on the improvement of school textbooks, particularly history books, and in 1952, the Council of Europe placed the problem of revising history textbooks on its



*"The smallest plateau in his homeland took on Himalayan proportions for the want of standards of comparison in the outside world."*



*"Teachers are faced with the language barrier and the virtual absence of a textbook on European history as a whole."*

agenda. As a result, the following recommendations were issued to teachers and authors of school books:

- Respect historical fact and avoid using disparaging or out-of-date expressions;
- Explain the facts in their European setting;
- Stress the importance of the various trends in philosophical, artistic and religious thought;
- Pay particular attention to: the idea of justice, including the birth of international law, the idea of tolerance, the development of representative governments, and the impact of European civilization on world history.

Efforts to achieve these and similar aims are continuing both at official and at private levels. For example, a European Committee for Civil Education, grouping teachers and representatives of national governments, was set up in the later half of 1962. It has already held three international meetings.

The European Schools at Brussels, Luxembourg, Varese (Italy), Karlsruhe (Germany), and Mol (Belgium), furnish pointed examples of the teaching of social sciences in a Europe in the process of unification.

In the history classroom at the European Schools, teachers are faced with two main problems—the language barrier and the virtual absence of a textbook on European history as a whole. In addition, some pupils at secondary level have already been exposed to a more "selective" view of European history during earlier schooling in their own countries. Finally, teachers with a "European" outlook are scarce.

However, the language barrier, at least, has been turned to advantage. Instead of learning history in their mother tongue, children in the European Schools are taught it in their principal "second language" that they are required to study. Thus, a German teacher conducts the history classes

for French pupils and, conversely, a French educator teaches history to young Germans.

### Teachers Practice Objectivity

The lack of a true European history book means that teachers must depend on their own national textbooks. In an effort to present both sides of each issue, a teacher often must give his young audience both the French and the German account of the same war, and invite them to form their own opinions.

It is difficult for one member of the staff to be a proficient teacher of both history and languages; consequently, specialists in these two branches of learning are being brought closer together through constant cooperation. In this way, curricula are being established which will one day serve as the basis for a truly "European" history book. One such book already exists, in fact. Copiously illustrated, and intended for 12 and 13 year olds, it is published in Luxembourg with a German text and a French glossary.

As a further sign of the times, an agreement has just been concluded between one of the largest publishers of school textbooks in France and a similar firm in Germany for a series of joint publications.

Teaching geography raises fewer problems than teaching history. The height of a mountain or the length of a river is a concrete fact and not open to the "interpretation" of events. Nevertheless, expressions like "our Mont Blanc, the highest glacier in Europe—our incomparable blue sky—our river, which is 1,320 kilometers long" have been banned from the classrooms of the European Schools.

### Students Learn Similarities

Pupils at these European Schools are taught that similar conditions of life and similar climate are more powerful factors in producing common outlooks among people than are the accidents of shared nationality. They learn that a peasant from the Beauce region of France may have more



*"A peasant from the Beauce region of France may have more in common with a German farmer from Lower Saxony than he has with a French miner from the Saar or a French wine grower from Languedoc."*

in common with a German farmer from Lower Saxony than he has with a French miner from the Saar or a French wine grower from Languedoc. They learn also what happens on the other bank of the river or on the other side of the mountain, even though these regions are separated from them by a frontier.

Like their colleagues in the history department, geography teachers in Europe have few educational literature and other teaching aids to suit their needs. There were many maps of Europe, but no "European" maps showing the continental system of roads and railways, or major agricultural or industrial areas. The teachers, themselves, drew these maps, printed and distributed them. A major contribution was also made by the European Community Information Service, which issued a folder of 12 "European" maps. Intended for teachers in traditional schools, the first edition of 250,000 copies was out of print in less than a year.

In addition to the shortage of "European" maps, the teacher of European geography to multi-lingual classes is faced with a special linguistic problem—that of common names for places. The European Schools have adopted the system of using regional names, for instance, Vesuvius for Vesuvius, Wien for Vienna, Nederland for Holland, and so on.

A European geography textbook is now in use in the European Schools. Unambitious in format, and limited to the general problems of the Community countries and their dependent territories, it does not attempt to rival or replace national textbooks, which are usually both more comprehensive and more luxuriously produced. It teaches, however, that "there is no long or mighty river in any of the Community countries because the continent's relatively small size makes this impossible: no point in the whole of the Community is more than 300 miles from the sea."



*"A teacher often must give his young audience both the French and the German account of the same war, and invite them to form their own opinions."*



*Holland Looks Outward: The flag of the Netherlands marks one of the world's largest ports. In 1962, Rotterdam Harbor handled 95 million metric tons of merchandise. Its shipping capacity of refined petroleum was established in 1960 at 24.7 million metric tons.*

## HOLLAND'S HISTORY SUPPORTS 'OPEN EUROPE'

by J. C. Boogman, *Professor of Modern History, University of Utrecht*

THE REACTION of the Dutch government and public opinion to European integration contains a slight but unmistakable dichotomy.

The Dutch are strongly opposed to a "Europe des patries" and support a supranational European Community. At the same time, no country among the Six favors Atlantic partnership and Great Britain's participation in the process of European integration more than Holland.

This attitude cannot be explained in terms of economic and political interests. History has much to do with it. Here as in so many other cases the past projects itself into the present.

The tradition stemming from the Province of Holland has left the deepest impression on Dutch awareness of nationhood—understandable in view of Holland's long enjoyed pre-eminence. In the late sixteenth century, Holland was the most powerful, wealthy and populous of the Dutch Republic's seven provinces. It accounted for 58 per cent of the States-General's national expenditure budget.

### Holland Looks 'Outward'

Holland's political tendencies are derived from its unique geographical and social-economic structure. The eastern provinces were largely agricultural. The southern provinces, reconquered by the Spaniards, had undergone substantial

industrial development. Holland owed its economic importance primarily to seaborne trade, shipping and fisheries. The ruling class of merchant princes, the regenten, held sway in the cities, and consequently controlled the States of Holland, the representative assembly of the Province. Below the regenten came a sizeable middle class of traders and entrepreneurs, whose material interests were generally protected by the regenten, even after they ceased to have direct connection with commercial activities.

The regenten of Holland in the seventeenth century were singularly modern in many ways. While mindful of their province's material interests, they often displayed a remarkably level-headed and rational political approach. They practiced the balance of power before it had become a recognized European principle. By the standards of their day, the regenten were for the most part notably humane, tolerant and pacific.

### Peace Brought Prosperity

This mentality accorded admirably with Holland's own interests. The regenten's anxiety to preserve peace in their foreign relations was not due to any particular devotion to peace in the abstract. Their main reason was that trade prospered best in times of peace, and therefore, it was in such times that Holland's commercial supremacy was most

successfully asserted. A certain aversion to soldiers and military affairs developed quite early among the population.

The Hollanders looked to the sea and tried to avoid landward entanglements, political or military. Plans of conquest or other territorial aggrandizement held little appeal. Many of the regenten were more inclined to reduce the Republic's territories than to extend them. When most European princes were bent on expansion, Holland's rulers were inclined to contraction.

Some very telling, although rather too epigrammatic, observations on Holland's way of life are contained in the celebrated book, "Het Interest van Holland," written in 1662 by Pieter de la Court, a cloth manufacturer of Leyden. Machiavelli recommended his Prince to emulate the lion for strength and the fox for cunning, while de la Court maintained that the cat was the best model for a trading republic like Holland. "The cat," he said, "spares no effort to keep itself fed." (i.e., Holland should concentrate primarily on assuring her own material well being.) "The cat minds its own business, keeps out of squabbles and does not mix with animals of other species." (i.e., Holland should not form alliances with aggressive rulers in search of glory.) "The cat fights only in defense of its life, but when it does, no lion fights better. Because the cat behaves so sensibly," de la Court concluded, "it has a much more peaceful, pleasant life, and a longer one, than the great beasts of prey, and also it has a larger progeny." (Today the Netherlands is the most densely populated country in Europe.)

Holland's propensity to contraction, pushed to its logical extreme, is reflected in de la Court's scheme. In the second edition of his book, he suggested that a canal be cut in the Province of Utrecht, from the Zuider Zee to the Lek, to make Holland militarily secure to the east and an impregnable fortress. The industrious Hollanders would then live peacefully on their little island. They would leave ambitious Continental potentates and their satellites playing pointless games of power politics, and would concentrate more than ever on the sea to increase their control of world trade.

While not all the Republic's statesmen invariably acted on de la Court's principles, the Grand Pensionary John de Witt, for example, pursued an extremely active, though defensive, foreign policy. The book undoubtedly, in many passages, faithfully mirrors the prevailing outlook of Holland's ruling classes.

Compared with this seaward-looking, isolationist tendency, the House of Orange represented the landward impulse. Using foreign mercenaries, and relying on the support of the smaller provinces and the Calvinist lower middle classes, successive Princes of Orange worked to increase the military and political power of the United Provinces as a whole and, especially in 1625-1650, to raise themselves from servants of the States to the level of the other European sovereigns.

The views among the regenten and merchants of Holland as to the Netherlands' world place—their policy of peace and non-involvement, their antipathy to expansionism stemming from a background and climate of thought fundamentally maritime and anti-Continental—continued to exert a great influence even after the conversion of the Netherlands into a unitary monarchical State in 1813.

## Contraction Preferred In 1830

The preference for contraction was illustrated clearly in relations with Belgium. Belgium's secession was welcomed in the 1830's in Northern Netherlands.

The influence of the "Holland" tradition was apparent in the Dutch attitude to their colonial possessions. They were never really Empire-minded, even in the twentieth century. An Englishman stated some years before World War I, "the Dutch have an Empire without the temptation to be imperial."

Until World War II, the great watchwords in foreign policy were neutrality, non-involvement, isolationism. These policies were nearly always aligned with the country's interests. However, to erect them into a sacred dogma applying to all conceivable future contingencies was unrealistic.

World War II ended Dutch neutrality and non-involvement. Since then, the Netherlands has been eager to participate in international and supranational cooperation. Even here, the past projects into the present. The lively suspicion of Continental hankering after hegemony exists. Interest in an Atlantic community is keen. Insistence for Britain's participation in European integration is determined. The last point also has firm historical roots. Britain has been the Netherlands' ally and support in most major international crises occurring from a single power's attempts to dominate Europe since the end of the sixteenth century.

## Supranationality Supported

The Dutch are anxious for a supranational European Community. Partly, they feel that the supranational principle offers a small country some security against larger powers' bulldozing attempts. More important is that so many politically-minded Dutchmen dislike nationalism and "strong" national policies. They prefer international and supranational cooperation. The past is again at work—the aftermath of the traditional policy of peace, non-involvement and neutrality.



# 12 THE FORMATION OF A EUROPEAN CAPITAL MARKET\*

by F. Collin, *President, Kredietbank N.V., Antwerp*

NO INTEGRATED European capital market exists today. Europe can be compared to the vault of a bank containing several small strong-boxes—the Swiss strong-box, the German strong-box, the British strong-box.

There is little regular dealing between the various European markets nor even an organization in which these money markets can join to complement each other. Europe has few financial markets which retain any international importance. The true market is now New York. In New York, large European institutions, paradoxically, are borrowing money which has come largely from Europe, but which cannot be made available in Europe because markets are fragmented. Moreover, the availability of these funds across the Atlantic provides European isolationists with an excuse for restricting access to national capital markets.

The origin of the present situation can be found in the old nationalistic tradition and as the result of disparities between national monetary structures. These disparities remain the chief stumbling block to a unified European capital market until a single European currency comes into being.

The mere existence of a very active market in “Eurodollars,” American dollars held by non-residents of the United States, proves the importance of the monetary obstacle. It also demonstrates convincingly that Europe still possesses a wide network of financial institutions capable of effective cooperation basing their exchanges on a single currency. Whether this network can form an adequate basis for a really large capital market remains to be seen. Is the volume of savings in Europe large enough to support such a market? Statistics show that it is, but the fragmentation of markets has made floating large loans almost impossible. At the same time, the need for a capital market on a European scale is becoming increasingly urgent.

## Units of Account Replace Currencies

A group of European bankers recently made an interesting attempt to overcome the monetary obstacle. The members negotiated a series of international loans expressed in “units of account,” and not in national currencies. Capital was thus subscribed simultaneously in Belgium, the Netherlands, Luxembourg, Germany, Italy and the United Kingdom, and, in one case, in Switzerland. The three loans totalled \$22,000,000.

However, the unit of account is neither a means of payment nor a means of exchange. It simply constitutes a standard which fixes the value of the subscribed amounts with as much stability as possible. Any actual transfer of funds, whether at the time of making the loan, paying interest, or repaying the capital, is effected in one or in several of the 17 national currencies covered by the definition of the unit of account.

Various international organizations, such as OECD, the European Monetary Agreement, ECSC, the Common Market, Euratom, and the European Investment Bank, also

use a unit of account to evaluate their assets and liabilities. Excepting the Community institutions, the organizations use different units. In 1950, the 17 countries of the European Payments Union (EPU) created a unit of account with a gold value equal to that of the U.S. dollar. The countries were the six European Community members, the seven EFTA members, Iceland, Greece, Sweden and Turkey.

The unit, sometimes called the “Epunit,” was used as the accounting currency for transactions between the central banks of the 17 countries during the dollar shortage, when exchange control was strict and the Marshall Plan was in full swing. Payments were made in gold, in U.S. dollars, or in another currency acceptable to the creditors.

## Unit Used By EPU

The unit of account used for the three “Eurodollar” loans was the same as that formerly used by the EPU. Since the organization no longer exists, the definition of the unit of account must be specified in the loan documents. While the EPU existed, any decision on the devaluation or revaluation of the unit of account could only be made by a ministerial meeting of the member governments. For loans floated since the days of EPU, a standard set of rules automatically regulates exchange fluctuations.

The fixed ratio established (in terms of gold) between the unit of account and each of the 17 currencies forms the basis for determining the amount payable in national currency when a loan is made or repaid. However, the unit of account does not constitute a gold clause. A loan expressed in units of account is not a loan at gold value because, in certain circumstances, the unit can be devalued or revalued in terms of gold, as part of the devaluation or revaluation of the 17 currencies. The unit of account will be devalued or revalued when the gold values of all the 17 currencies have moved upward or downward, with at least two-thirds of the currencies moving in the same direction. In this case, the unit will be adjusted in that direction, but only in the same proportion as the least modified currency.

## Devaluation Protected

This mechanism gives lenders a high degree of protection against devaluation and attracts a wide range of European investors. It also enables borrowers to obtain larger sums at more favorable interest rates. If the national currency of the borrower is covered by the agreed rules, his debt in units of account expressed in his home currency, will not be increased unless his currency is devalued, and then only if it is devalued more than the smallest devaluation effecting all other 16 currencies.

These rules have not been made arbitrarily. They have a double purpose—to ensure a fair division of charges and duties between lenders and borrowers, and to link the unit of account closely with the basic trend of the various European currencies. In practice, the value of the unit of account is that of the most stable European currency.

The restrictive rules remaining from the time of strict

\* Reprinted from the January 9, 1964 issue of “Opera Mundi Europe.”

currency control have caused difficulties in several countries—mainly because governments and some public institutions are among the principal customers of their own national capital markets. Governments tend to be suspicious of innovations which might bring serious competition for funds and open their capital markets to foreign borrowers. In contrast to the majority of currency loans, which are “tied loans” (restricting the borrower’s choice of country

from which he can buy capital equipment), the three Eurodollar loans are free of nationalistic provisions of this kind.

The need for a capital market on a European scale has never been felt as keenly as at present. Handicapped by the absence of a single European currency, the European financial community has found in the unit of account—in part—an effective method of meeting this need.



## Monnet Urges Common European Nuclear Force

A COMMON EUROPEAN NUCLEAR FORCE in association with the American force is indispensable for European partnership with the United States, Jean Monnet, President of the Action Committee for the United States of Europe, declared before the German Parliamentary Social-Democratic Party, February 25.

Mr. Monnet said that the United States’ decisive contribution to the “defense of freedom, the reconstruction of Europe after the war, cannot be ignored today. The military security that Europe enjoys today rests on the United States.”

“In the present situation, difficult and confused as it is, what is termed the multilateral force would still leave the United States in a position of preponderance, since they would retain the essential part of their nuclear resources outside that force. The situation will be fundamentally changed, however, when our countries have set up a common authority capable of administering and controlling nuclear resources. The multilateral organization could then be transformed and make way for a common European force in association with the American force.

“It is impossible to speak of partnership between united Europe and the United States of America, to envisage the solution of the problems that now divide East and West, or to organize peace, without discussing the question of nuclear weapons and the relations in this respect between the countries of Europe and between Europe and America,” Mr. Monnet said.

“Europe cannot turn its back on problems upon the answer to which depend the security and survival of the West, anymore than it can absent itself from the efforts which must be made to achieve disarmament and control. It cannot confine itself to contributing only to conventional defense and at the same time hope to take part in decisions which may be vital for Europe and for the West.

“Europe must participate in and contribute to nuclear defense, undertaking its burdens, using its resources, and making its effort . . . The divergences caused by nuclear weapons concern our lives, our security, and our liberty. For these divergences form an obstacle to the unification of Europe and to the partnership of Europe and America in

the field of military policy.

“It is clear that it would be dangerous to envisage the proliferation of national nuclear forces, since this would clash with the unification of Europe, would divide instead of unite, and would create dangerous inequality . . . collective action by the West is indispensable, in this field more than in any other.

“It is in fact indispensable that the United States and Europe, in partnership of equals, act together and without ambiguity, that they would be assured of their association, and that together they seek to organize peace and peaceful coexistence with the USSR.”

## France, Britain To Construct Rail ‘Chunnel’

Britain and France will be joined by a 32-mile rail tunnel under the English Channel, British Transport Minister Ernest Marples announced to the House of Commons February 6.

The tunnel will consist of two separate mainshafts, each containing a single-track railway, connected by a smaller service tunnel. Two terminal stations, 44 miles apart, will be located at Westhanger, England, and Sangatte, France. The railway will be operated by the national networks of both France and England. The project is estimated to cost approximately \$400 million.

“Construction of a rail Channel tunnel is technically possible and . . . would represent a sound investment of the two countries’ resources,” Mr. Marples said. However, legal and financial problems are still to be decided, he pointed out, due to the heavy burden of the two countries’ commitments and claims on their national resources.

The two governments will have full control of operating the tunnel, he said. “At the present stage of the discussions, the governments have not yet decided whether there is a role, and if so in what form, for the participation of private equity capital in the enterprise.”

Construction of the tunnel is being delayed by enormous technical difficulties, he said. One of the problems still to be considered, is whether the tunnel should be bored under the Channel or consist of tubes resting on the Channel bed.

# European Development Fund Finances 14 Social-Economic Projects

THE EUROPEAN DEVELOPMENT FUND will finance new social and economic projects totalling over \$22 million in 11 associated African states and the French departments of Réunion and Martinique.

The social projects, approved in January and February by the EEC Commission, include:

- An irrigation survey for the cultivation of rice, cotton, ground-nuts and other food crops in Burundi at an estimated cost of \$200,000.
- Equipment and construction of an agricultural school in Cameroon to train planters and plantation managers. The buildings and land preparation will cost about \$474,000.
- Boring 165 wells to supply water to Chad villages and countryside as a stimulus to farming for approximately \$3,241,000.
- Diversion of drinking water to the high areas of the Saint-Paul Commune in Réunion costing about \$2,188,000.
- Sinking 159 wells and 28 bore-holes to supply Senegal villages and rural centers with drinking water at an estimated cost of \$2,431,000.
- Technical surveys for the modernization of Mali's highways to link its economy with the upper Volta. The surveys are expected to cost about \$365,000.
- Technical surveys for the completion of two asphalt roads and the construction of a permanent bridge over the Pendjari River in the upper Volta for approximately \$486,000.
- Construction of 10 road bridges over main rain-water

drains, which will also be completed, in the urban areas of Poto-Poto and Bacongo-Makelekele, Brazzaville, for approximately \$2,917,000.

- Vaccination in one operation of 6,500,000 cattle in Niger, Upper Volta and Mali. The joint campaign against cattle plague will cost about \$2,759,000.

The economic projects, approved by the EEC Council of Ministers in February and March, provide:

- Improvement of 235 bridges on secondary and local roads in all six provinces of Madagascar. The bridges, strengthened to carry 15-ton vehicles, will cost about \$2,755,000.
- Clearing 1,236 acres of forest in Burundi for tea planting and construction of a processing plant with a 400 to 800 dry tea capacity. The project will cost about \$1,420,000.
- Planting 1,236 acres of selected palms on a village-plantation pattern in southwest Togo. The project, including staff and six years' assistance, is expected to cost about \$587,000.
- Extension of the Fort-de-France harbor in Martinique with a 1,114-foot wharf. Approximately \$2,127,000 is allotted for the project which will permit the development of the shipyard, tourism and banana exports by ending the chronic congestion of the wharf.
- Equipping the new general hospital at Mogadiscio, the Republic of Somalia, for three years with a team of 28 doctors, including a director, a chemist and two pharmacists at an estimated cost of \$1,357,000.

## EEC Commission Rules on Exclusive Dealership

The EEC Commission issued its first decision March 23 on exclusive dealership agreements affecting the Common Market.

The Commission granted a "negative clearance" (from antitrust action) to the French firm, Grosfillex, for an exclusive dealership arrangement with the Swiss firm, Fillistorf. Under the contract, Grosfillex granted Fillistorf exclusive dealership rights in Switzerland with the understanding that Fillistorf would not re-export the products.

The Commission ruled that the agreement did not restrict competition perceptibly within the Common Market and that re-export from Switzerland was virtually impossible due to double customs duties.

The ruling was the first based on Article 85 of the Rome Treaty (rules governing competition applied to enterprises). The Commission decided that exclusive dealership arrangements affecting the Common Market enter under jurisdiction of Article 85. However, the restriction of competition forbidden by the Article is not necessarily applicable whenever a supplier is excluded from competing in the Common Market but rather whether competition in the Common Market is "perceptibly" restricted.

The decision sets a precedent for many similar exclusive dealership contracts which presently exist between Community firms and companies in non-member countries. The decision will be published soon in the Official Journal of the European Communities.

## India Repeats Trade Talks Request

The Indian government has renewed its request for bilateral trade talks with the Community.

In a February note to the EEC Commission, the Indian government listed the following five points of negotiation:

- Suspension of Community tariffs on pepper, mushrooms, fresh and preserved tropical fruits and fruit juices, prawns, frogs' legs, and hand-loom products.
- Tariff cuts on products not produced by the Community in significant quantities, such as coir mats, hand-knotted carpets, heavy jute goods, certain cotton grey fabrics, and East Indian Kips (hides for leather production).
- Preferential treatment for India's developing industrial products to strengthen the country's export potential.
- Improved access to Community markets for India's agricultural products, such as manioc meal and vegetable oils.
- Comparative study of Community tariffs on traditional Indian products and their substitutes produced in industrialized countries.

In April 1963, the Indian government requested Community tariff concessions pending a world agreement on tropical products. The Community made a series of unilateral concessions but temporarily postponed bilateral talks.

## Scholarships Available to CIFE Summer College

Twelve free scholarships for the fourth summer session of the Collège Universitaire d'Etudes Fédéralistes are available to qualified American graduate students.

The scholarships include free room and board.

The College, conducted by the Centre International de Formation Européenne (CIFE), will hold the 11-week session from July to mid-September at Chatillon in Italy's Aosta Valley. Entrance applications should be filed as soon as possible.

The student body is composed primarily of university graduate students and faculty members, junior diplomats and civil servants from Western Europe, the United States and Africa. Students must qualify in French and as graduate candidates in political science and international relations. Upon successful completion of their course work, including a comprehensive oral examination in French, the participants receive a "Certificat d'Etudes Supérieures du Fédéralisme."

University professors from Western Europe, the United States and Africa conduct approximately 25 courses in French. The courses cover: principles of federalism, Western civilization, the history of European unification movements, a united federal Europe's place in the Atlantic community, and Europe and the developing countries.

The CIFE, founded in Paris in 1954 by Alexandre Marc, is a center for research on problems of European integration. The Center publishes a monthly journal, "L'Europe en Formation."

College applications and subscriptions to "L'Europe en Formation" are available from: Centre International de Formation Européenne, 6 rue de Trevisse, Paris 9, France. Further information may be obtained from Dr. Gerhard Mally, Foreign Policy Research Institute, University of Pennsylvania, 133 S. 36th Street, Philadelphia 4, Pa.

## EEC Proposes New Film Industry Rules

The EEC Commission has submitted to the Council of Ministers a second draft regulation to grant the European film industry greater freedom.

The proposal would abolish:

- Restrictions on the establishment of foreign film theaters in the Community countries.
- Film import quotas between Community countries by 1966.
- National screen quotas by 1966.
- Restrictions on showing non-dubbed films.

Film quotas between Community countries have increased since the adoption of an earlier regulation. Under the Community's program for the right of establishment and supply of services, all national film restrictions must be removed by the end of the Common Market's transitional period in 1970 at the latest.

## High Authority Aids Modernization

The ECSC High Authority will loan \$25 million to Community firms for modernization of six steel works and two coal mines in Germany and Italy.

The 12-year loans carry a 6¾ per cent interest rate. Including this loan, the High Authority has raised a total of \$402.4 million for investment finance since 1954.



*Israeli Discussions Continue: Israeli Foreign Minister Golda Meir met with EEC Commission President Walter Hallstein, March 9 in Brussels.*

## Commission Tax Proposals Considered

The EEC Commission's proposed harmonization of turnover taxes and common added-value tax were discussed by the Standing Committee of Revenue Department Heads on February 20 in Brussels.

Considering suggestions of the Six's finance ministers, the Committee proposed that the two stages of turnover tax harmonization be contracted into one stage. The finance ministers also recommended immediate issue of the turnover tax directive and conversion to the added-value tax system to avoid two successive legislative changes.

The Committee requested the EEC Commission to prepare, before the end of 1964, a proposal for a second directive concerning the application of the common turnover tax to safeguard competition in intra-Community trade.

The Committee confirmed the Commission mandate to continue work on the direct taxation of companies and international double taxation and discussed the Commission's progress in the field of transport taxes.

## Plutonium Fuels Community Power Reactor

Enriched plutonium was used for the first time March 18 to fuel a Community power reactor, the BR 3 at Mol, Belgium, within the framework of the United States-European Atomic Energy Community agreement.

Twelve rods containing plutonium-enriched uranium were introduced into the reactor by the Association Belgo-Nucléaire—CEN (Centre d'Etude de l'Energie Nucléaire) under contract to the Euratom Commission for the development of plutonium-enriched fuels.

The rods, designed at the Association's Laboratories at Mol, were constructed by compacting powdered uranium and plutonium oxide by vibration and swaging. The current experiment was also the first test of this production method in a European nuclear reactor. Fuel samples were irradiated in the BR 2 reactor last June.

The rods were inserted into assemblies made by the Société Metallurgie and Mécanique Nucléaires.

The current experiment completes the first stage of research conducted by the Belgo-Nucléaire—CEN Association, at its laboratory for applied research on plutonium, established jointly in 1960.

## PUBLICATIONS AVAILABLE

ELEVENTH GENERAL REPORT ON THE ACTIVITIES OF THE COMMUNITY, (February 1962-January 1963), The High Authority of the E.C.S.C., Luxembourg, May 1963, 663 pages ..... \$3.00

C.E.C.A. 1952-1962: RÉSULTATS, LIMITES, PERSPECTIVES, High Authority of the European Coal and Steel Community, Luxembourg, 1963, 645 pages, French & German editions ..... \$5.00

A study of the economic and social policies of the E.C.S.C. during its first ten years. The effects of integration upon the coal and steel industries are analyzed with special attention given to the problems of competition, transportation, taxes, and foreign trade.

BULLETIN DE LA COMMUNAUTÉ EUROPÉENNE DU CHARBON ET DE L'ACIER, NO. 45, High Authority of the European Coal and Steel Community, Luxembourg, 1963, 79 pages ..... \$ .60

French edition in stock. Annual subscription available in French, German, Dutch, and Italian (4 issues) ..... \$2.00

This particular issue covers the activities of the Coal and Steel Community from the end of July through mid-November 1963. It also contains a directory of the organization of the High Authority as of November 15, 1963.

FINANCIAL REPORT FOR THE YEAR 1963, No. 9, The High Authority of the European Coal and Steel Community, Luxembourg, 1964, 23 pages ..... free

LES TRANSPORTS DE PRODUITS PÉTROLIERS EN 1961, *Informations Statistiques*, 1963, No. 3 bis, Statistical Office of the European Communities, 113 pages ..... \$2.00

Complete survey of the transport of petroleum products in six member countries of the Community during 1961. Also includes data on production, consumption and supply.

PRINCIPLES AND METHODS USED IN THE BUSINESS SURVEYS CARRIED OUT AMONG HEADS OF ENTERPRISES IN THE COMMUNITY, Commission of European Economic Community, Brussels, December 1963, 43 pages ..... \$ .70  
Annual subscription (4 issues) ..... \$2.00

Detailed explanation of the methods used in the quarterly business surveys of the industries within the Community.

STATISTIQUES DE L'EMPLOI 1958-1962, *Statistiques Sociales* 1963-No. 4, Statistical Office of the European Communities, 307 pages, French/German text ..... \$2.00

Complete survey of the employment situation of the EEC from 1958-1962. Includes figures of population, employment, duration of work, placements, strikes, and migration of nationals and non-nationals. Also includes an annex on employment in Greece.



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