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'KENNEDY ROUND' UNDERWAY IN GENEVA; UNCTAD CONTINUES

THE 'KENNEDY ROUND' TRADE NEGOTIATION under the General Agreement on Tariffs and Trade (GATT) was scheduled to begin May 4 in Geneva. The United Nations Conference on Trade and Development, also being held in Geneva, will continue until June 15.

After a year of preparatory work, contracting parties of GATT will sit at the bargaining table in the Kennedy Round to negotiate major trade reductions.

Foreign ministers of the EEC were to represent the Community at the opening of the Kennedy Round. However, the EEC Commission, acting under a mandate from the EEC Council of Ministers, will participate in the actual negotiations on behalf of the Six. The Commission will also receive other directives from the Council during the course of the meeting.

Chief EEC negotiators will be Theodorus Hijzen, the Commission's special representative for GATT negotiations; Pierre Schlosser, division chief for relations with trade organizations; Pierre Nicolas, head of the Community liaison office with GATT; and Marc Weydert.

The United States will be represented by Governor Christian Herter, the President's special representative for trade negotiations; and his deputies, W. Michael Blumenthal and William M. Roth.

Increased Trade Sought In UN Meeting

In the United Nations Conference (UNCTAD), which began March 23, the world's developing countries are seeking relief from their steadily deteriorating terms of trade. Over 2000 delegates from 122 countries and organizations participated in the ministerial portion of the meeting in Geneva.

The Conference was approved by the United Nations General Assembly in December 1962. In 1963, 75 developing countries adopted a joint declaration outlining their objectives for the meeting. Early in 1964, the Latin American countries also listed their mutual aims for development. These proposals were consolidated, in a series of preparatory meetings, to form the following Conference agenda:

- Expansion of international trade and its significance for economic development.
- International commodity problems.

- Trade in manufactured and semi-finished goods.
- Improving invisible earning of the developing countries.
- Regional economic groupings.
- Methods of financing expanded international trade.
- Trade institutions.

The first three weeks of the Conference were devoted to speeches by governmental representatives who presented diverse solutions to the Conference problems.

EEC Position Stated

On March 24, Belgian Minister of Foreign Trade Maurice Brasseur, addressing the Conference on behalf of the European Community, said, "that the Community favors, in principle, the stabilization of the prices of primary products at a level sufficiently remunerative for the producing countries."

The problem of manufactured products calls for serious effort, he said. "A substantial increase of the foreign exchange resources of the developing countries will depend increasingly on the diversification of their exports.

"We may be led to seek some relaxation of the most favored-nation rule (of the GATT Treaty) in the interest of the less advanced countries. . . . There has been talk of easing the rules of Article 24 of the General Agreement on Tariffs and Trade so as to facilitate the establishment of customs unions and free trade areas between these countries, and of the establishment of payments arrange-

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ments similar to those which functioned between the countries of Western Europe in the recent past."

Mr. Brasseur defended GATT by saying, "the Community is convinced that this organization, with its fund of acquired experience, will be a valuable instrument when it comes to giving practical application to the resolutions and general lines of approach worked out by the Conference."

Following these remarks, Mr. Brasseur added the views of the Belgian government stressing price stabilization of industrial products. "The exporting under-developed countries will indicate to a 'mixed committee' the industries which they desire to develop. This Committee (in which the importing countries will be partially represented) will propose some tariff reductions favoring the sale of these products on the developed market. The concessions must be made without reciprocity."

Belgium Suggests Tax

In order to solve a conflict of interests between the exporting countries and importers, Mr. Brasseur suggested a system of compensatory tax, a type of levy, to be applied at the frontier of either country. The levy would cover a partial difference between the normal and lower world market price. The means used to derive this tax would serve as a common basis for the needs of the under-developed countries.

On the same day, French Minister of Economics and Finance Valéry Giscard d'Estaing presented the French plan for permitting the developing countries to progress through trade along with financial aid.

The plan essentially suggested a price for temperate agricultural products fixed above the world price to consider the needs of the under-developed countries. The resulting proceeds would go partly to the farmer and partly to a fund of the exporting countries. The industrial countries would put their surplus food products (effected by the high world price) into the "Food For Peace" program. This would transfer capital to the undeveloped countries.

France Favors World Accords

The French plan also envisaged world accords for certain primary products allied with levy between the current import price and preferential price. Concerning manufactured products, the plan advocated the sale of products to industrial countries without duties but within the limits of a quota and without reciprocity. The plan also supported revision of the most-favored-nation clause and regional trade groupings.

The United States' position was stated on March 25 by Under Secretary of State George W. Ball. "The industrial countries should be prepared to cooperate, wherever and whenever feasible, in perfecting arrangements that would reduce instabilities associated with trade in commodities and thus enhance development on a commodity-by-commodity basis," he said.

"The industrial countries as a group must be prepared to reduce tariffs and other barriers to the imports of primary products, semi-processed materials and manufactured goods of special interest to the developing countries. . . . We must also explore the means of increasing and making more effective use of the flow of foreign capital and technical assistance—both public and private."

On the other hand, Mr. Ball said that the developing countries must market their products on a competitive basis dependent on developing mass national markets or regional markets, raising agricultural productivity and modern systems of marketing.

"My government," Mr. Ball said, "believes that foreign aid should assist developing countries with a supplemental source of capital." The capital, he said, would contribute to development as a supplemental source of long-term capital for certain projects, as a source of capital to finance imports or materials and equipment, and as a source of seed capital to stimulate the mobility and effective use of capital from internal sources.

Among other suggestions posed by the conference participants, the Soviet Union called for an international organization, under the auspices of the United Nations "as a center for coordinating the activities of the United Nations subsidiary bodies and other international organizations in the field of trade."

England Offers Trade Preferences

Great Britain offered the developing countries the same preferential trade treatment which it grants the commonwealth countries. However, Edward Heath, Britain's Minister for Industry and Trade, said that such preferences could only be taken "in concert" with the other major industrialized states and with consent of the commonwealth countries.

Under a 10-point program, Mr. Heath listed the following trade freedoms for products of developing countries: removal of duties on tropical and primary products; halting new barriers to trade; ending quantitative restrictions and internal taxes and revenue duties; reduction of tariffs on semi-processed and processed products; granting preference; exchange of preferences among developing countries; and stabilization of commodity prices.

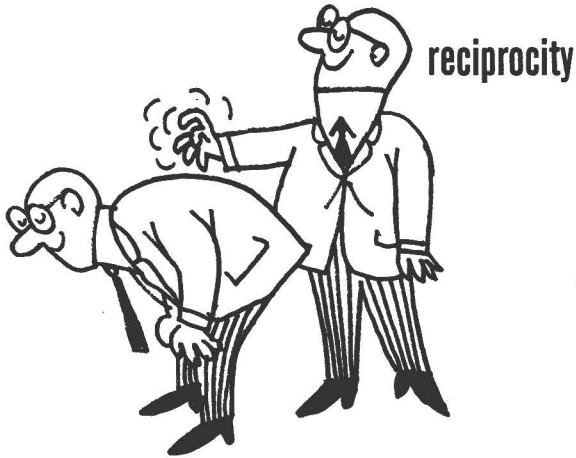
The Soviet Union went a step further in declaring that it would abolish all tariffs on imports from under-developed countries from January 1, 1965.

In a stock-taking report April 10, Conference President Monim El-Kaissouni said, "a series of 117 speeches showed clearly that the government participants and international groups . . . admit their responsibility in mutually finding the supplementary means for stimulating and reinforcing development. They all recognize that in spite of trade growth and considerable financial aid, the net gains are small." In 1962, Mr. Kaissouni said, \$2.6 million of the \$6.6 million aid to developing nations was taken back by the industrialized countries in interest and investment dividends.

The five conference committees on commodity problems, trade in manufactured goods, financing, trade institutions and trade expansion will prepare the final stage of the meeting. At that time, the ministers will reconvene to discuss recommendations and obligations.

A KENNEDY ROUND GLOSSARY

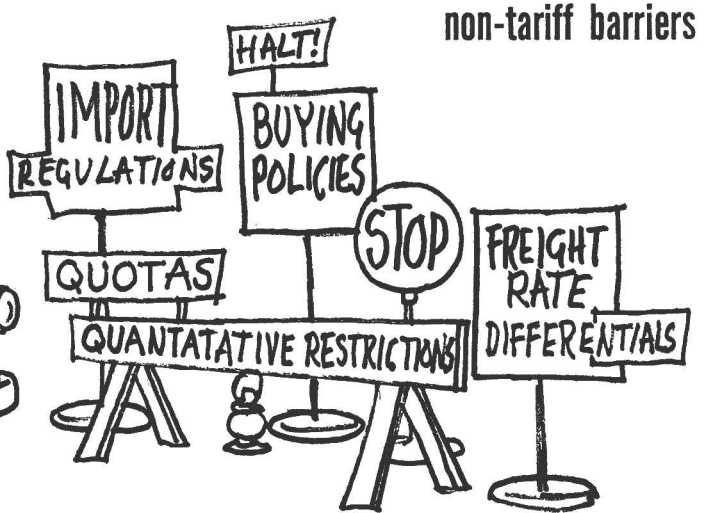
A fuller glossary of terms to be used in the Kennedy Round is available from the European Community Information Service, The Farragut Building, Suite 808, Washington, D.C. 20006



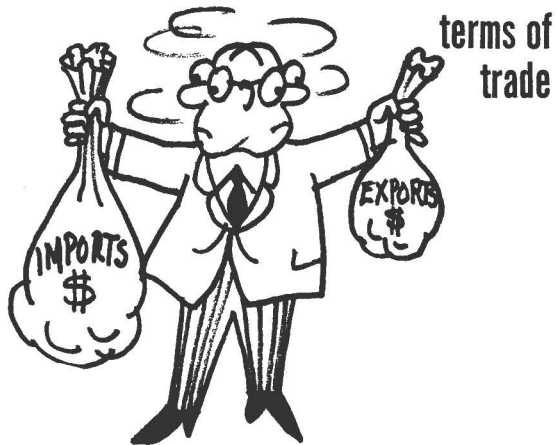
One of the guiding principles of the Kennedy Round negotiation. A GATT party will grant tariff concessions on imports, provided its GATT partners lower their restrictions on that state's exports of the same value.



Under EEC's common agricultural policy, those products, such as pork, eggs and poultry, whose price is affected by the price of feed grains (cereals component). Their value is determined by the feed cost per unit produced.



Provisions such as quotas, quantitative restrictions, import regulations, buying policies, and freight rate differentials which restrict the flow of goods by means other than tariffs. An attempt will be made in the Kennedy Round to lower these barriers.



The ratio of prices as reflected in the amount a country pays for its imports as compared to what it receives for its exports. Increasingly unfavorable terms of trade are a major difficulty at present for developing countries.



A provision of the Trade Expansion Act permitting the President to increase tariffs or impose quotas, for limited periods, after a finding by the Tariff Commission that increased imports cause or threaten to cause serious injury to domestic industries.

EEC COUNCIL ACTS TO COMBAT INFLATION

But Ministers Fail to Agree on Common Cereals Price

THE EEC COUNCIL OF MINISTERS achieved a major breakthrough on economic policy April 14.

On the basis of an EEC Commission proposal, the Council recommended that member countries take the following anti-inflationary measures:

- Stabilize prices and production costs.
- Maintain a liberal trade policy.
- Limit the increase in government spending to 5 per cent annually.
- Finance by special tax programs or by raising existing taxes any government spending increase above 5 per cent.
- Cover balance-of-payments deficits by long-term borrowing.
- Maintain or tighten present restrictive credit policies.
- Seek management and labor cooperation in keeping wages in line with the gross national product.
- Restrict excess building demand where it exceeds supply possibilities without hindering needed construction or expansion of schools, hospitals or existing housing plans for workers.
- When necessary, consult other member states on financing trade deficits as prescribed in Article 108 of the Rome Treaty (mutual assistance in remedying balance-of-payments difficulties).

The recommendation also includes special steps for incorporating national economic policies under the anti-inflationary plan suggested by the Council. It also calls for governmental reports to Community authorities on the application of the measures taken in conformance with Article 103 of the EEC Treaty. The Treaty suggests that the Council may by a unanimous vote, on a proposal of the Commission, decide on measures appropriate to the economic trends of the member states.

Special Priority Stressed

Although the Council recommendation does not legally bind the member states, the governments of the Six are firmly committed to do everything possible in carrying out the measures. The Council asked the governments of the Six to give the measures special priority above all other economic policy goals.

The problems of rising costs and prices in some member states were emphasized by EEC Commission Vice President Robert Marjolin in a speech to the European Parliament January 21, 1964. Germany's Minister for Economic Affairs Kurt Schmuecker also stressed the need for a coordinated policy to restore the internal and external balance in the Community. The resulting Commission proposal was submitted in March to the European Parliament and member countries' governments for approval.

The Council also approved the following measures to strengthen the monetary and financial cooperation in the Community:

- Creation of a Committee of the Central Bank governors of the member countries.
- Consultations between the Six in the Monetary Com-



Robert Marjolin
Vice President
EEC Commission

mittee to improve international monetary cooperation.

- Creation of a budgetary policy committee.

The Council sanctioned the creation of a committee for medium-term economic policy to coordinate the economic policies of the Six. Programs for achieving a medium-term economic policy will cover a period of approximately five years.

Cereals Price Still Lacking

At the same meeting, the ministers failed to agree on a uniform price for cereals proposed by EEC Commission Vice President Sicco Mansholt to facilitate agricultural negotiation in the 'Kennedy Round' opening May 4. (See story page one)

The agriculture ministers were scheduled to resume discussion on the cereals price April 29-30. However, adoption of the Mansholt Plan requires the presence of the foreign ministers of the Six.

Germany's Agricultural Minister Werner Schwarz maintained the position stated earlier by his government that the Federal Republic could not accept a base price for cereals for the 1966 marketing year. He advocated the adoption of the present cereals price level for the 1964/65 marketing year.

Opponents to Germany's suggestion emphasized the necessity for a uniform price level to be established before the opening of the Kennedy Round. The German delegation said that absence of a decision on cereals would not retard the negotiation. However, Mr. Schwarz asked that the cereal price proposal be amended by unanimous vote rather than by qualified majority as scheduled after 1966.

Discussion Continues

The German minister kept discussion open by proposing that the Council study several aspects of the Mansholt Plan such as regional pricing, harmonization of quality standards, compensation to farmers, and improving the standard of living of the agricultural population. He suggested that the proposal include a revision clause to account for an eventual change in the farmers' purchasing power. Mr. Schwarz also called for the definition of grain target prices in units of account rather than national currency; tariff harmonization for the transportation of agricultural products; and agricultural compensation to cover differences in social measures.

The Mansholt Plan, proposed to the Council on November 5, 1963, provides for a single market for grain to be established on July 1, 1964. The common target prices for grain, the base price, would determine the "regional" target prices, which vary according to transportation costs, and intervention prices which prevent local market prices from dropping below a certain level. The basic target prices would be those set for 1964/65. These target prices would be reviewed yearly, beginning with the year 1965/66 by taking into account farm incomes, the consumer price index, wages and the supply situation.

German Price Would Drop

The basic prices called for under the proposal represent a compromise between Community consumer and farmer interests. When the prices were proposed, the Commission estimated that Germany would suffer a reduction in wheat and rye production resulting from a price drop for all grains of between 11 and 15 per cent. Germany's farm incomes would decline while prices of bread, pork, eggs and poultry might rise by three per cent, the Commission said.

In Italy and Luxembourg similar trends would be evident. Italian wheat prices could be expected to decline by about 11 per cent but corn and barley prices would rise. Higher prices for livestock products would be partly offset by a drop in bread and pasta prices. Luxembourg's wheat prices would drop 16 per cent and rye eight per cent, while barley would rise by seven per cent.

French and Dutch grain prices would be increased. In France, wheat (other than durum) would rise by eight per cent, barley by six per cent and corn by one per cent. The Dutch wheat price increase would be six per cent and for barley 15 per cent.

Compensation Granted

Under the Commission proposal, farmers in Germany, Italy and Luxembourg would be compensated for their income losses, including those resulting from a decline of income from pork, eggs and poultry dependent upon grains. Compensation is required by the EEC Treaty in order to prevent a decline in farm incomes. As EEC contributions to compensation payment were decreased, the Commission would take steps to improve farm living and income standards. These measures would be financed from the Community's Agricultural Guidance and Guarantee Fund, the Social Fund and from the regular budget.

The Commission proposals include improving farm incomes in under-developed areas by providing financial assistance for structural changes both in agriculture and other sectors. Special programs would be undertaken for small and marginal farm and agricultural social security and similar plans would be improved.

At an earlier meeting March 23-25, several alternative proposals for cereal prices were suggested. The recommendations were to fix a price ceiling or maximum price level for grain, or set upper and lower target price limits which would gradually narrow toward one orientation price to be fixed at the same time. Harmonization of production costs was also suggested.

Rice, Milk Prices Adopted

The Council decided on upper and lower price limits for rice to begin July 1, 1964. The maximum and minimum price levels for the rice producing countries, France and Italy, are \$18.32 and \$15.29 per 220 pounds. The minimum levels for imports to the non-producing countries are \$14.20 per 220 pounds of husked rice and \$9.66 per 220 pounds of broken rice.

Upper and lower price limits for Community produced milk were also adopted for the milk year, July 1, 1964 to June 30, 1965. Limits were fixed at 10.5 cents and 7.9 cents per 2.2 pounds of milk with 3.7 per cent fat content. The Community milk regulation approved at the December 23 Council meeting specifies that the price limits be based on the existing marketing year prices. At that time, the Commission estimated that the superior limit would be about 9.8 cents per 2.2 pounds. However, inflationary trends resulted in an increase in Italy's price to 10.5 cents. Consequently, the other five member countries resolved not to exceed a 9.7 cent limit. The limits fixed for 1964/65 will not determine the price for 1965/66.

Euratom Surveys Nuclear Fuel Market

A satisfactory balance between supply and demand for uranium ore exists in the Community, according to a report, "State of the Nuclear Fuel Market in the Community and the Free World in the Period 1963-1967," published by the European Atomic Energy Community Supply Agency in December.

Known Community reserves, mainly in France, will meet the Community's needs up to 1967, the report said. The report estimated that France would absorb 7,400 metric tons of the total 7,772 metric tons required by the Community. Known Community ore deposits totalling 28,400 metric tons are equivalent to 18 years' production, the report said.

However, an "appreciable deficit" for fissile materials exists, the report said, which must be filled by imports. Community needs of enriched uranium (U 235) are estimated at 14.9 metric tons for the period 1963-1967. Italy will require 40 per cent, Germany 29 per cent, France 23 per cent and Euratom research reactors 8 per cent.

"Although the Community does not itself produce U 235, all requirements can be satisfactorily covered by imports provided for in bilateral agreements or in the agreement between Euratom and the United States," the report said. "The 1958 Cooperation Agreement between Euratom and

the United States provides for the supply of 30,000 kilograms of U 235 for research programs and power reactors covered by the Euratom-US Joint Program. Under a supplement to this agreement, signed in 1962, any remainder not used in the Joint Program can be assigned to other industrial or research projects."

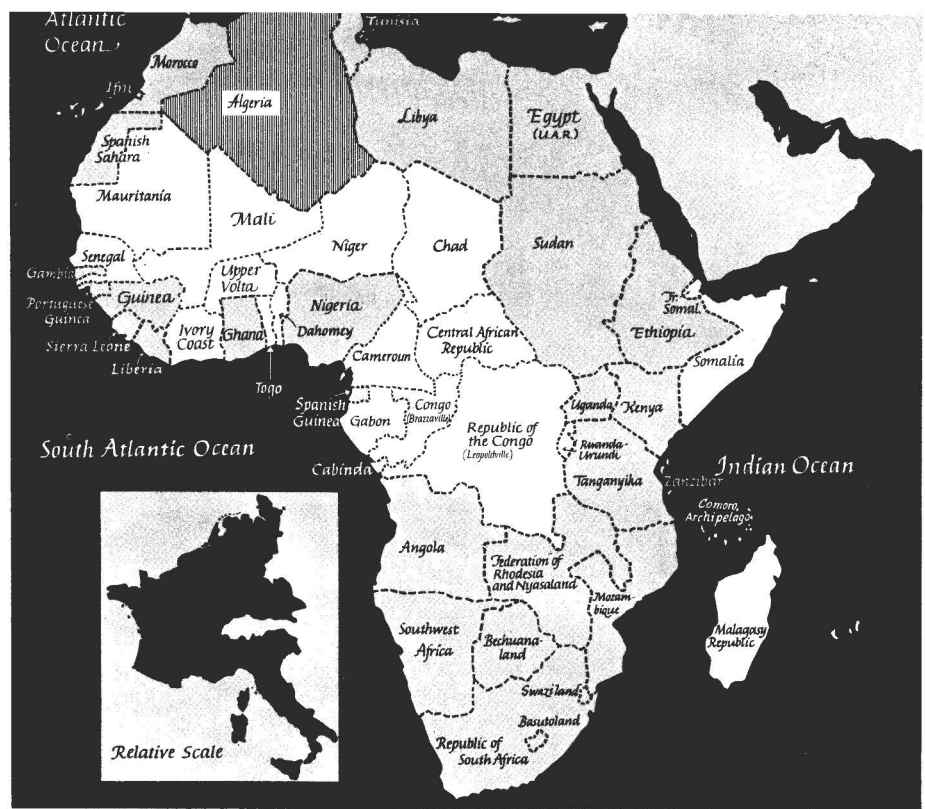
The report estimates Community requirements for plutonium at 720 kilograms for 1963-1967 compared with a total output of 617 kilograms from the operation of Community power reactors. The Community will begin producing plutonium in large quantities in 1965. "Toward the end of the period 1963-1967, plutonium output within the Community will gradually increase, but the Community will nonetheless continue to be dependent on foreign plants for the processing of irradiated fuel in order to extract plutonium," the report said.

Information Service Opens Geneva Office

The seventh regional office of the European Community Information Service opened March 16 in Geneva. The office, at 75 rue de Lausanne, will inform the press and public of Community activity and policy. Other Community Information Service offices are located in Bonn, The Hague, Paris, Rome, London, and Washington. A New York office will be opened sometime this summer.

African Countries Associated with
the European Economic Community
(white area)

FINAL RATIFICATION OF EEC-AFRICAN ASSOCIATION CONVENTION NEAR



SIXTEEN AFRICAN COUNTRIES and two Community members have ratified the Convention of Association signed at Yaoundé, July 20, 1963.

Formal sanction by only four member countries—Italy, Germany, Luxembourg and the Netherlands—is needed for the Community's agreement with 18 African states to take effect. The legislatures of the following countries have approved the Convention: the Republics of the Congo, Mali, Rwanda, Gabon, Chad, Central Africa, Dahomey, Togo, Upper Volta, Niger, Ivory Coast, Malagasy, Cameroon, Senegal, Mauritania and Somali; France and Belgium.

The Convention will begin to operate on the first day of the month following final ratification. The four remaining governments must approve the actual agreement, an internal agreement of measures and procedures for applying the Convention, and an internal agreement for financing the administration of Community aid.

Similar Pact Requested

In February, four independent African Commonwealth countries (Nigeria, Kenya, Tanganyika and Uganda) requested an agreement with the Community similar to the existing Association Convention. They also said that they would be "willing to examine the possibility of participating in a new agreement" on the same basis as the Community's African associates when the Convention expires in 1968.

The Association Convention aims to "further the industrialization of the associated countries and the diversification of their economies, so that they may achieve stability and economic independence." The first association agreement was signed in 1958 when the 18 African countries were dependent territories. After gaining their independence, the African associates chose to retain their links with Europe.

Under the first agreement, the Community provided through the European Development Fund (EDF) aid totalling \$581 million for the 18 African associates. Half of this sum was spent on roads, railways, ports, and tele-

communication. Modernization of rural areas, the next largest single item, accounted for just under a quarter of the total allotment and education over one-sixth.

In addition to technical and supervisor training, education aid provided approximately 2,700 primary classes (including 20 mobile classrooms), 73 continuation courses, five domestic science schools, new or extended secondary schools for some 8,000 pupils, and teacher training schools for nearly 2,000 students. Health service expenditure supplied 27 hospitals, 44 operating blocks, 32 maternity units, 14 mother and child welfare centers, five social centers, 94 hospital units for in-patients, and 168 dispensaries.

Six Furnish Aid

Approximately \$31 million was spent on town planning and economic and technical studies. Not all the funds provided under the first association agreement have been allotted yet to specific projects. The Six also furnished \$6,823 million to the associates in the five years 1958-1962 on a bilateral basis. Individual countries granted the following sums: Belgium, \$322 million; France \$4,292 million; Germany, \$1,755 million; Italy, \$235 million and the Netherlands, \$220 million.

Financial aid has been increased 38 per cent under the new Association Convention, the Community providing its African associates with \$730 million for the years 1963-1968. An additional \$70 million will be granted to the Community's associate dependent territories. Of the \$730 million total, \$620 will be issued in the form of non-repayable grants, and \$110 in loans from the European Investment Bank.

Over two-thirds (\$500 million) of the total \$730 million will be used for general economic and social investment in the associated countries, including the promotion of new industries. The remaining \$230 million will be devoted to agricultural diversification and improvement of production and marketing.

The European Investment Bank will provide financial aid to the African associates for the first time under the

Convention. Previously, the Bank confined its activities to the Community's member countries and Greece. The Investment Bank charges a higher rate of interest on loans than the European Development Fund. However, the Bank can pay up to 3 per cent of the interest from the funds provided for outright grants to the associates.

Aid Provision Extended

The first association agreement stipulated Community financing for only basic economic and social projects and, occasionally, technical assistance operations in the African countries. The new arrangement aids a variety of projects.

Economic and social investment has been expanded to cover production plans benefiting the local community such as, irrigation or soil preservation; production plans providing normal financial returns such as, the development of new crops or industries for processing agricultural products; and technical assistance for these projects.

The Community will also provide aid to soften the effects of world price fluctuations on producers of tropical agricultural products. When business is depressed, the European Development Fund will place credits at the disposal of stabilization funds in the associated countries. The credits will be repayed when world prices rise above the average level.

The Community has assigned \$230 million to enable the associated countries' products to compete on the world market. Producers will be assisted through outright grants to gradually adapt their production to world market needs. The aid will decrease slowly and stop when the Convention expires. The weakness of single crop economies will be remedied by aid to diversification of crops.

A reserve fund of \$5 million has been created from a levy on Community grant to the associates for emergency disaster relief.

Technical Assistance Emphasized

The Convention puts a new emphasis on technical cooperation between the Community and its African partners. It enables the Community to finance, through the European Development Fund, technical and economic regional surveys; expert personnel; information and reference material for experimental projects; trainee scholarships; and training courses.

The trade provisions of the first association agreement were extended in the new Convention. Community tariffs on tea, mate and tropical hardwoods have already been abolished under an agreement with Great Britain. Remaining exports from the African countries to the Community will benefit from the gradual reduction of the Community's internal tariffs now 40 per cent of their 1957 level.

Although the associates countries' tariffs on imports from the Community are to be reduced 15 per cent annually, the African countries can retain old tariffs or create new ones to protect infant industries.

Application of the Convention is supervised by joint institutions which control problems of trade relations, financial and technical cooperation and administration of Community aid. They are: the Council of Association, the Parliamentary Conference and the Court of Arbitration.

The Council of Association, consisting of members of the EEC Council of Ministers and Commission, and a representative from each of the associated countries, meets once a year to assess the general operation of the Con-

vention. An EEC Council member and a government representative from an associated country alternate as chairman of the Council. An Association Committee, of one representative from each Community country and African state, supervises the daily administration of the Convention.

The Parliamentary Conference meets once a year to consider the Association Council's annual report. It is composed of European Parliament members and parliamentarians from the African states.

The Court of Arbitration settles disputes arising from interpretation or application of the Convention upon disagreement by the Council. The president of the Court is appointed by the Council of Association. The four judges are selected by the EEC Council of Ministers and the associated countries.

Africa's Exports to Community Up Since 1960

African exports to the European Community in 1962 rose rapidly over the previous year, while the Community's share of imports to the African continent declined, according to a United Nations Economic Commission for Africa report presented at the sixth annual meeting of its 34 member countries at Addis Ababa, Ethiopia.

Africa's exports to the Community expanded at a much faster rate than the African countries' total exports, the report said, rising 8 per cent in 1962 compared to less than 7 per cent in 1961. Community countries, excluding Belgium and Luxembourg, purchased more African products in 1962 than the year before.

During 1962, the Community's share of Africa's total imports decreased due to a drop in French exports, from \$1,692 million in 1961 to \$1,325 million in 1962. French imports from the 34 independent countries rose from \$1,291 million to \$1,403 million.

The Committee report said that Russian and Eastern bloc imports from Africa remain small, declining in 1962 from \$290 million to \$280 million. However, their sales to African countries rose from \$355 million to \$380 million. In 1962, exports to the entire Eastern bloc accounted for less than five per cent of the African countries' total trade.

Trade between the African countries also remains low, the report said. Although rising in 1962 by \$10 million to a total \$540 million, intra-African trade represented only 8 per cent of the African countries' total exports.

Council Approves Business and Services Rights

The EEC Council of Ministers adopted February 25 supplementary measures to the Community's policy for the right of establishment and the freedom to supply services.

The measures, based on EEC Commission proposals, include:

- Removing restrictions on Community citizens' movements from one country to another for business reasons.
- Harmonization of national regulations for public order, health and safety affecting the movement or residence of nationals from other Community countries.
- Right of wholesalers, brokers, and persons engaged in reinsurance and handicraft to establish businesses or supply services.

Unions Seek Greater Representation, Internal Balance

LABOR SPEAKS ON COMMUNITY LEVEL

by Harm Buiter, *Secretary General of the European Trade-Union Secretariat*

THE EUROPEAN TRADE-UNION SECRETARIAT represents the labor unions in the six Community countries affiliated with the International Confederation of Free Trade Unions (ICFTU). It was established in Brussels in 1958 at the same time as the Common Market. The Secretariat is a continuation of the 'Committee of 21' organized in Luxembourg in 1953 following the founding of the European Coal and Steel Community. It represents labor union interests and presents their views to the Community executives and committees.

Since the beginning of the Schuman Plan negotiations, the labor unions in the six Community countries have actively supported European integration. The Rome and Paris Treaties show that the problems of integration strongly affect the unions as the workers' representatives. At the European level, as well as nationally, labor unions are vitally concerned with all economic matters and consequently try to influence the distribution of the national product.

European Unity Supported

The labor unions are generally counted among the leading protagonists of the European idea. Since the beginning of the European unification movement, they have promoted the process of integration whenever possible. The fundamental reasons for their support are: the need to preserve and strengthen a free society and to maintain world peace. These aims, while not a monopoly, are part and parcel of the labor union philosophy.

The labor unions were among the first to realize the economic advantages which would flow from the establishment of a large European market. Modern economic structure calls for a large, integrated domestic market. Many modern industries could not develop further within the limits of the present national markets. Consequently, those favoring economic progress are prepared to abolish frontiers in Western Europe to create conditions for modern economic growth.

The Free and the Christian Trade Unions have constantly supported and promoted the European idea as a matter of principle. The Communist labor unions in France and Italy, affiliated to the World Federation of Trade Unions, for many years simply followed orders

from the Communist central organization. They rejected and attacked the "capitalist conspiracy against peace." Last year, the outlook of the Italian Confederazione Generale Italiani Lavoratori (CGIL) changed somewhat due largely to pressure from Nenni Socialist members. However, the CGIL has not become reconciled fully to the principles for which the European Communities stand.

Unions Influence Community Policy

The Rome and Paris Treaties define ways in which the labor unions can influence Community decisions. Labor union cooperation in the European Community institutions occurs mainly in the Consultative Committee under the ECSC Treaty and in the Economic and Social Committee for the Common Market and European Atomic Energy Community.

The Economic and Social Committee is composed of 33 labor union representatives out of a total of 101 members. These representatives include leading members of the Free and the Christian Trade Unions in the six Community countries. The Committee advises on all major issues connected with European integration. Its sub-committees on farm policy, economic policy, competition, transport, and certain aspects of social policy meet regularly in Brussels.

Labor union influence has been expanded outside the Treaties especially in the European Coal and Steel Community. In 1952, Paul Finet, chairman of the International Confederation of Free Trade Unions (ICFTU), was co-opted as a member of the High Authority. Two labor union sympathizers, Heinz Potthoff of Germany and Roger Reynaud of France, were appointed members of the High Authority by their respective governments. However, Dr. Potthoff was not succeeded by a German labor union representative upon his retirement in 1963.

No labor union representatives were appointed by the Six's governments to the EEC and Euratom Commissions, which cannot co-opt members. However, the late M. P. Serrarens, a leading representative of the Christian Trade Unions, was nominated a judge of the European Court of Justice.

The labor unions have not been content with these and similar openings such as the European Social Fund Com-



mittee, which assists the EEC Commission in the allocation of finances for the retraining and resettlement of workers. (One-third of the Committee's membership is composed of labor union representatives of the Six.)

Practical experience has shown that effective influence in the Community must not be limited to giving official opinions. The labor union view of current problems must be constantly made known to the European authorities through daily contact. Consequently, labor unions have not only established a European Liaison Office in Brussels but have created in the European Trade-Union Committee a high-level organization with executive powers in matters of European cooperation. Its directives bind the affiliated labor union federations and its office issues clear instructions to the European Trade-Union Secretariat, the permanent representative of labor union interests. The Secretariat also acts as the workers liaison office in the Community's Economic and Social Committee.

Labor union activity in the Community consists largely of cooperation between the national federations. The Executive Committee is concerned with the organization of the economy, establishing political priorities and the development of a European social policy. The work of the European Trade-Union Secretariat and the international labor union differs in that the labor unions have realized that for European cooperation they must at times subordinate their national autonomy to the common view.

Labor's Power Examined

It is difficult to say whether labor union influence is as far-reaching in the Community as it is in the member countries. The situation varies. Not all member countries have committees in which the major economic and social problems are discussed. However, labor's influence is undoubtedly greater in such existing bodies than in the Community's Economic and Social Committee.

In applying the Community's agricultural policy, the labor unions are represented on the commodity boards and advisory committees. Here, labor unions have become clearly European. One or two delegates represent all the labor organizations of the member countries and are more influential than their counterparts in such countries as France, Belgium and Italy.

Labor is not represented on the Community Administrative Committee, established to implement social security provisions for the migrant workers. The committee is composed solely of the Six's government representatives. However, the labor unions have an important say in the application of social security policy in each member country. The EEC Commission's proposals for coordinating medium-term economic policy also contain no provision for labor union representation and may prove unacceptable to the unions.

The tendency to exclude labor is particularly evident in Community issues dependent on the support of initiative of the six member governments. Therefore, the unions support the European Parliament's claim for an extension of power, especially in its relations with the Council of Ministers. The labor unions have learned that it is pres-

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

ently impossible to influence autonomous bodies like the Council or to call them to account.

The trade unions' chances of influencing the Community Executives are further limited by the fact that the powers of these Executives are inadequate. Moreover, not all Community Executive members realize that continuous cooperation and mutual confidence are needed rather than calling on labor's support after suffering a policy setback. However, it is only fair to add that on a number of important matters contact is hampered only by excessive pressure of work (especially for EEC Commissioners) and not by any lack of good will.

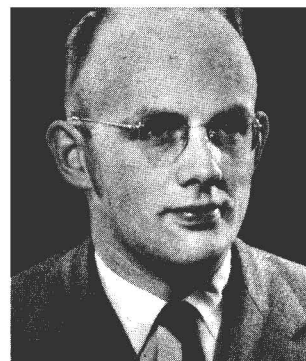
Frequent meetings, common problems and the shift of certain powers from the national governments to the Community have caused intense "European" cooperation among the labor union federations which is gradually spreading to the individual industrial unions. In ECSC matters, coal and steel workers' representatives in all member countries have always cooperated closely. For years, transport and farm workers have followed carefully their specific problems at the European level. Close cooperation has also been created in other important areas, such as building, timber, chemicals, foodstuffs, beverages, tobacco, and the metal and engineering industries. Some of these European industrial committees have delegated their secretariat work to the European Trade-Union Secretariat. All these factors have led to a noticeable concentration of labor's influence in Brussels.

Labor Seeks Balance

The labor unions are now meeting in the Community certain problems which were causing them concern in the member countries. Striking a balance between the direct representation of interests on the factory floor and the exercise of influence on general economic and social policy presents one problem. Union members must be convinced that action at the Community level also strengthens the power of their direct representatives.

The problem also arises on a larger scale at the Community level. The right balance must also be established between concentration on general Community issues and acceptance of responsibility in traditional labor union activities. Individual representatives from Liège, Bordeaux, Hamburg, Naples or Amsterdam may not agree necessarily on the operation of a labor union in their respective countries when general matters of economic or social policy are at stake. Their individual attitudes will be conditioned largely by political circumstances in their countries and by the structure and strength of their unions.

The unions must continue to find a method of cooperation which will not only apply in the six member countries, but which will also help individual members realize that the labor union movement also represents them at the European level. The unions will not fulfill this task unless they succeed daily through disciplined cooperation to put the interests of millions of European working men and women in the foreground of all the issues arising from European integration.



Harm Buitter

REPORT SHOWS WOMEN'S STATUS IMPROVING IN COMMUNITY

SUBSTANTIAL PROGRESS in attaining equal pay for female workers is being made in the European Community, according to an EEC Commission report on pay disparities published in January.

However, the report said that the December 31, 1964 deadline for removal of all pay inequalities between the sexes would be met only if national labor authorities intensify their efforts in enforcing Community policy.

(Under an agreement between the member states governments at the end of 1961, wage inequalities were to be removed in three stages. Salary disparities between male and female workers for comparable jobs were to be reduced to a maximum of 15 per cent by June 30, 1962. The differences were to be decreased to a maximum of 10 per cent during the second stage ending June 30, 1963 and completely eliminated by December 31, 1964.)

The Commission's report compared each member country's progress in meeting the timetable for the Community policy ensuring the fair employment treatment of women.

Belgium Makes Progress

Belgium has made considerable progress in eliminating salary disparities between men and women workers, the report said. In many industries, new collective bargaining agreements contain identical pay provisions for male and female employees and also include the Community's time schedule for achieving pay equality. However, salary differences of 20 to 25 per cent still exist in some industries despite governmental refusal to recognize the legality of agreements which do not conform to Community policy. The European Parliament is currently considering a proposal which will allow labor ministers to enforce mandatory pay rates for women workers in industries where equality is not observed.

In Germany, salary differences between men and women in the same jobs is unlawful, the report points out. Consequently, the government and employers associations declare that the principle of wage equality has been applied without restriction. However, the unions maintain that

some methods of job classification used by industries encourage discrimination. They argue that the principle of equality is still not applied for a number of traditional women's jobs for which no male standard of comparison exists.

In jobs classified by skill, the unions contend that women have not been upgraded in certain industries. The Commission points out, however, that women's wages are rising faster than men's in Germany. From May 1958 to May 1963, women's industrial wages increased 55.4 per cent while male workers salaries rose 43.8 per cent.

Formal recognition of women is more advanced in France than any other Community country where the principle of equal pay was rapidly applied, according to the report. Some disagreements between unions and employers over job definitions have occurred but generally statistics show less than 10 per cent difference between men and women's wages.

Italy's Jobs Upgraded

Women have also been upgraded in Italy through reclassification of jobs which eliminated some lower pay grades for labor, the report said. Collective agreements concluded during 1963 were successful in meeting the problem of pay disparities. However, collective bargaining has not been recognized in certain industries. In general, the report said that Community policy is being faithfully applied through thorough government scrutiny.

The status of women is improving in Luxembourg due to recent legislation for equal pay in public service professions, equal minimum wages for both sexes, and revision of collective bargaining agreements covering 80 per cent of the unskilled labor force. The unions, employers and government support collective agreements which conform with Community policy.

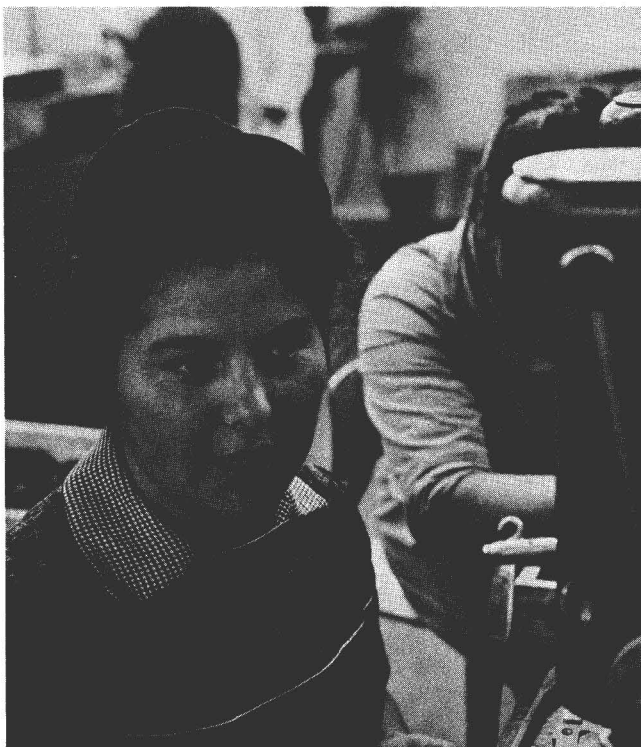
Until the end of 1963, equal pay in the Netherlands was limited to jobs in which both men and women were customarily employed. Since then, new minimum wage laws for women have been adopted incorporating rapid wage increases. Salary differences between the sexes are less than 10 per cent in many industries and new collective bargaining agreements without equal pay provisions are illegal. Equal wages should now be attained in Holland with minimum delay, the report said.

Socialists Urge Union Representation In Merger

A merged Community Executive composed of 14 or 15 members was urged by the European Parliament's Socialist group in a statement delivered to the press early in March.

"The fifteenth member, who should be co-opted, must enjoy the confidence of the trade unions," the statement said. The enlarged executive, the Socialists said "would assure a fair representation of the smaller member countries and all democratic opinion."

The statement said that the powers of the European Parliament should be reinforced rather than diminished by the proposed merger. It pointed out that "the efficient functioning of the Parliament's secretariat could only be assured if the headquarters of this body were not separated from that of the single European Commission."



USSR STILL REFUSES COMMUNITY RECOGNITION

Bilateral Agreements Cause International Trade Difficulties

by Jean Rey, EEC Commissioner for External Relations

THE YEARS 1963 and 1964 are likely to go down in history as a remarkable period of religious rapprochement in which the various churches, without hoping to convert each other, have come closer together in an attempt, at least, to re-define their mutual attitudes to each other and to the modern world.

With this example in mind, it might well be asked whether the various political faiths could do the same, and whether the time is ripe, if not for a crusade of conversions, at least for a dialogue to find out how we look to each other. I refer in particular to relations between the European Community and the Eastern European countries.

USSR Not Represented

The present state of these relations can be summed up briefly. The Eastern countries have never dealt with the Community and continue to ignore the existence of the Common Market. The Community has no diplomatic contact with either Soviet Russia or with any Eastern European country. The only place we meet, excluding private conversations, is in the United Nations, particularly in the Economic Committee for Europe. Otherwise, we do not see each other, we do not talk to each other, we do not know each other.

Currently 64 countries, two-thirds of the world, have accredited ambassadors to the Community. The only two important groups who continue to shun the Community are the Eastern European countries and the Arab countries, excluding North Africa.

This situation is undesirable because it makes international relations increasingly difficult. Last year Russia, not a member of GATT, wished to negotiate on tariff matters. She contacted each Community country, except Italy, asking for concessions. They all replied in the same vein: There is no longer a French tariff or a Benelux tariff, there is only a Community tariff. The Community is the only source from which you can obtain concessions. If you want to hold tariff negotiations, you must approach the Community itself, not its member countries.

These replies caused great difficulties in Moscow since the government does not recognize the existence of the Community. Following these replies, the Council of Ministers sent the Russians a note saying, "You ask for concessions, we are politically disposed to grant them and the Common Market Commission is at your disposal for discussion on this subject." The Russians have been studying this note for nearly six months, but so far we have received no reply.

Agriculture Presents Problem

In the agricultural sector, which particularly interests the Russians, it is useless to deal with the individual member governments because a well integrated Community policy already exists covering external trade. External trade in agricultural products is already virtually out of the governments' hands. From the moment the first agricultural

regulations were drafted, it was realized that they could not be effective unless they covered trade with non-member countries. In this field, as in many others, it will soon be impossible to deal with anyone other than the Common Market Commission.

Faced with this situation, the Russians will no doubt realize one day the European Community exists. When this happens, they should first establish diplomatic relations with the Community and send an ambassador to Brussels. This would not be an admission that they liked us. The 64 countries represented by ambassadors to the Community do not all agree with our policies. Many Latin American countries, for example, are impatient with our policy toward the problems of their area, but they have come to us to discuss these problems. For the last six months, we have met regularly with their ambassadors.

Policy Comparison Requested

Soviet and EEC policies obviously differ enormously—perhaps they could be brought closer together, perhaps they could not. But in any case something would be gained from trying to find a common ground. The United Nations Trade and Development Conference presents such an opportunity. After the speeches, the real work will begin. At this stage, perhaps we and the Eastern countries can compare our respective attitudes to the problems of Latin America, Asia, and the other developing countries.

Would this bring concrete results? I am loathe to anticipate the outcome because it is very clear that these matters are closely related to political problems, and in the case of our relations with Great Britain, it was political and nuclear difficulties which ended our negotiations. The same thing could happen in our contacts with the Eastern countries and for these reasons we might find it impossible to resolve our economic differences. But this is no excuse for not examining each problem separately whenever possible. As President Roosevelt used to say, "There is only one thing worse than failure, and that is not to have tried."

Community Electricity Consumption Increases

Electricity consumption in the European Community during 1963 rose 8.3 per cent over the previous year.

A similar rate of increase was reported in 1962.

In each Community country the rate of increase was higher than in 1962, due partly to the severe winter of 1962-1963. While domestic consumption during the year rose by 15 per cent compared with 12-13 per cent in preceding years, consumption in other sectors remained more or less static.

By 1980, total Community electricity consumption is expected to increase to about four times the 1960 level—approximately 90,000 million kilowatt hours.



Jean Rey

AMBASSADORS WATCH EUROPE'S 'PEACEFUL REVOLUTION'

Diplomatic Corps Grows in Brussels, Represents Two-Thirds of World

by Jean Lecerf, *Correspondent for 'Le Figaro'*

EEC COMMISSION PRESIDENT Walter Hallstein has received ambassadors from two-thirds of the world.

In six years, 58 representatives of non-Community countries have presented their credentials to the Presidents of the EEC and Euratom Commissions, the chairman of the Council of Ministers, and frequently to the President of the ECSC High Authority in Luxembourg.

Representatives of the Community countries bring the total number of ambassadors to 64. The role of the ambassadors from the Six, known as the Permanent Representatives, is not diplomatic in the traditional sense. Their main function is to prepare the Council of Ministers meetings. Their informality, according to some observers, is one of the most impressive symbols of the Community's new approach to world affairs.

The rest of the Corps Diplomatique accredited to the Community has a more traditional demeanor. However, each year, they are received as a group by President Hallstein and Euratom Commission President Pierre Chatenet and addressed by the Doyen of the Corps, currently Ernest Lemberger, the Austrian Ambassador.

Arabs Shun Community

Most of the Arab world, except the Maghreb countries (Algeria, Morocco and Tunisia), are missing from this assembly for political reasons. Official pronouncements from Cairo have charged the Community with a continuation of the colonial system in its association with 18 African states. These statements have undoubtedly formed a basis for propaganda in other Middle East countries. However, these countries have not publicized their reasons for ignoring the Community.

Other important absentees are the Communist countries, who do not officially recognize the existence of the Community. Consequently, they conduct their trade through bilateral agreements causing the Community considerable difficulties. The renewal of bilateral agreements must be discussed among the Six and its terms adapted to the Community's common regulations ignored by the Communist countries. (See story page 11)

Otherwise the diplomatic corps accredited to the Community represents the most current international interests. These interests are sufficiently complex to occupy the time of 58 permanent and well-staffed missions. While even the smallest countries send one or two diplomats to Brussels, South Africa has sent nine, the United States, 17.

Africans Supervise 'Convention'

Representatives of the African countries associated with the Community play a particularly important role. Originally, they were temporarily assigned to administer the first association agreement, signed in 1958 when the 18 associates were dependent territories. The African diplomatic mission then participated in the negotiations for the second Association Convention between the Community and the newly independent countries. After ratification

of the Convention, the African ambassadors will supervise its application in view of its importance for the future development of their countries.

Community activities also affect the economies of the other African countries. Last December, for example, the ambassadors of the groundnut-producing countries presented their governments' views on the Community fats regulations being discussed by the Council of Ministers. Some English-speaking African countries and many Central and South American countries are also anxious to maintain or enlarge the outlets for their products such as bananas, groundnuts, cocoa and coffee. They seek assurance that access to the European market is not unduly hindered by advantages granted to the associated African countries. The ambassadors of Community associates, Greece and Turkey, also have close and frequent contacts with Community institutions.

Community Tariff Causes Concern

Virtually all the Western European countries are represented diplomatically in Brussels because they are most closely affected by the establishment of the Common Market. Ireland, Norway and Denmark, following Great Britain's lead, have applied for Community membership. Sweden, Switzerland and Austria have requested association. The Community's external tariff is the immediate concern of the non-Community European countries while admission of new Community members remains a long-range interest.

The common external tariff has important consequences for all non-Community countries in that the gradual alignment of national tariffs to a common level means raising some tariffs of liberal-trading countries while lowering tariffs of the more protective countries. (The common external tariff is the arithmetical average of the member countries' national tariffs less 20 per cent.)

The high tariff countries were traditionally less important outlets for non-member countries' goods than the liberal





Community Protocol: Ambassador Sergio de Lima e Silva (left) presents his credentials as head of the Mission of Brazil to the European Communities to EEC Commission President Walter Hallstein.

countries, whose tariffs are being raised to the common level. For instance, Switzerland sells fewer watches in France and Italy, where custom duties are falling, than in Belgium, where duties are rising. Consequently, Switzerland fears for her Belgium markets without assurance of recovering her losses in France and Italy. She is worried about her total Community sales.

A second more sensitive problem arises from the element of discrimination introduced by the common external tariff between the Six and non-Community countries. A Frenchman is more likely to buy a German machine on which duties have been reduced—and will eventually carry no duties—than the British machine on which import duties are levied. On all Community markets, non-member countries products occupy a less favorable position than the goods of the Six. Consequently, the ambassadors are mainly concerned with the Community's external trade policy.

'Kennedy Round' Current Problem

The 'Kennedy Round' tariff negotiation is the most urgent current problem for the diplomats at Brussels. The U.S. Trade Expansion Act was passed at a time when it looked as if Great Britain would join the Common Market. Therefore, it envisaged a total tariff reduction on a wide range of goods accounting for 80 per cent of the world trade between the United States and the enlarged Community. Although the Community has not been enlarged, a 50 per cent cut on all goods entering United States-Community trade is at stake. The Community's approach to the trade talks vitally concerns the entire world. Non-member countries seek consideration of their interests in Community and United States negotiating proposals.

Israel is negotiating a commercial agreement with the Community like that which exists for Iran. The Maghreb countries, Nigeria, Kenya, Tanganyika and Uganda, have requested association with the Community. These agree-

ments are negotiated normally by special governmental missions. However, the ambassadors prepare the groundwork and supervise the application of the final arrangement.

The Community's common agricultural policy poses problems for many non-member countries such as Denmark, Australia and New Zealand. Diplomatic missions for countries such as India and Ceylon were established to view the membership negotiations with Great Britain, Denmark, Norway and Ireland. Other countries are represented in Brussels to keep watch on events leading to the enlargement of the Community or the development of political union.

Interests Overlap

Commerical, political, social and doctrinal preoccupations often overlap for the diplomats to the Community as for over 300 business, professional and trade union organizations which have established "European" offices in Brussels. It is only to be expected that the world should wish to be informed first hand of the activities of a group of countries who are undertaking one of the most interesting experiments in the history of international relations. For the world at large, the Community has become a living entity. It has demonstrated good intentions and therefore is worth knowing.

A peaceful revolution is occurring in Europe watched closely by diplomats in Brussels. The future course of world trade depends largely on what is decided there. Although Community policies have displeased some countries, they have given a tremendous push to trade expansion and to liberal trade policies throughout the world. The effects will be even greater in a few years when the Community has negotiated more trade agreements with other nations.

The world at large also realizes that ideas maturing in the Community are likely to exert a profound effect on international affairs in the future—and the world wants a say in their final formulation.

Six To Prepare Common Energy Policy for 1967 Merger

The ECSC Council of Ministers approved unanimously April 21 a diplomatic commitment between the member governments to enact a common energy policy as part of the merger of the three Communities planned for 1967.

Under the 'protocol' agreement, the merger of the three Communities will depend on the member governments' success in producing a common energy policy. The length of negotiations on the policy are limited by the agreement.

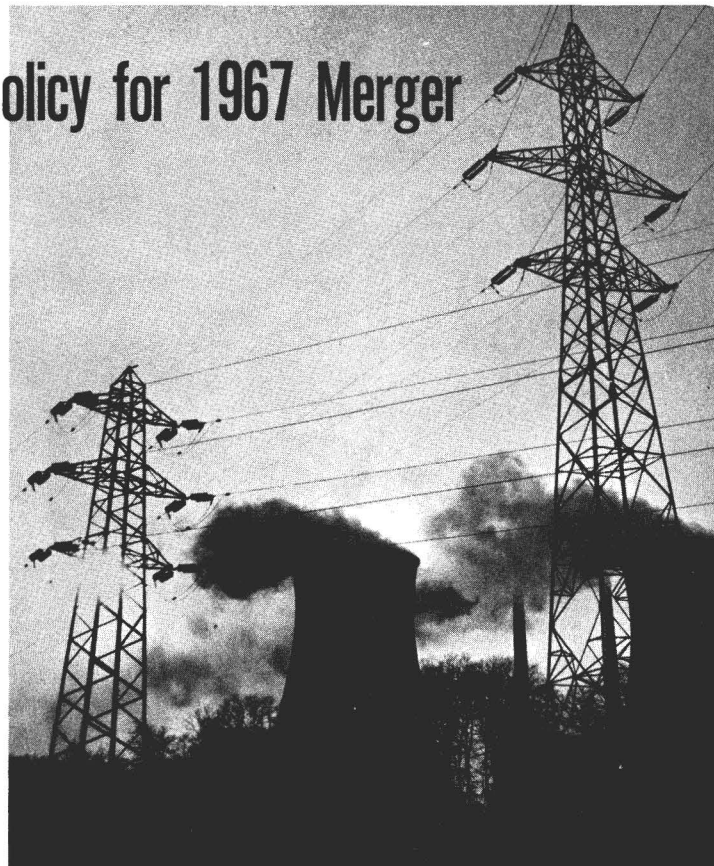
Community energy sources are presently regulated by the three Treaties—petroleum and natural gas by the EEC Treaty, atomic power by the Euratom Treaty, and coal by the ECSC Treaty. All energy sources will be included in the common policy under the merged Treaty regulating import policy, state aids, competition, and pricing rules.

In the second part of the agreement, the governments charge the High Authority to present immediate proposals for harmonizing state aids to the Community's coal mining industry.

A common energy policy has been discussed for nearly six years. In June 1962, the Interexecutive working group on energy, the coordinating body of the Community executives, presented a memorandum on a common energy policy to the ECSC Council. The Council failed to agree on the memorandum or a draft resolution prepared by the governmental experts.

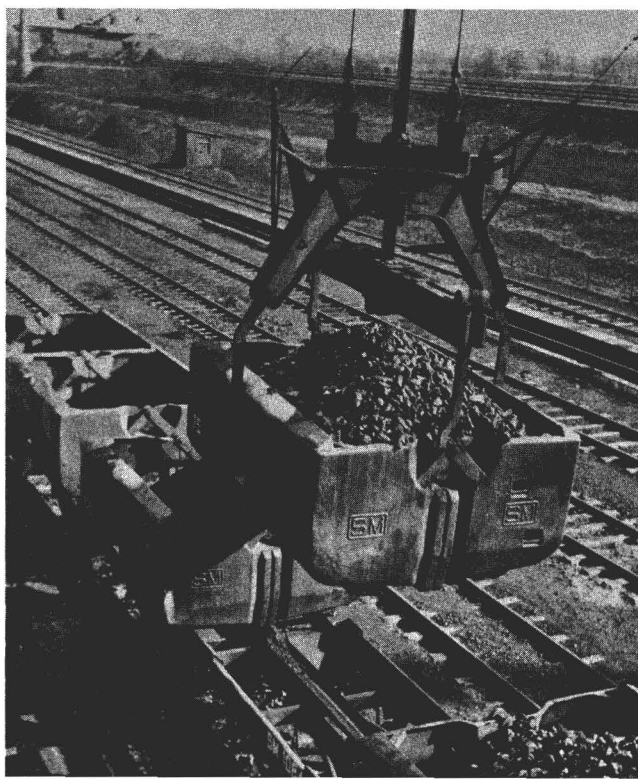
Consequently, ECSC High Authority President Rinaldo Del Bo launched an initiative for the energy policy through consultation with the Euratom and EEC Commission presidents, the Energy Interexecutive Committee and the member countries. On the basis of President Del Bo's discussions, the Special Committee of Energy Experts prepared a report for the Council of Ministers which served as a basis for the agreement.

In making the report public, Paul Elvinger, Luxembourg economics minister and present chairman of the



Council, called the agreement "the indispensable foundation for a common energy policy." He said that "progress on the energy policy together with other decisions taken recently for agriculture, financial policy and common customs duties for petroleum products showed that the elements creating the basis for the Community's economic union were being steadily put into place."

ECSC President Del Bo said, "the preparatory work has been long and difficult. The agreement is just a start and much work remains before agreement can be reached on a common energy policy. The new treaty to be prepared for the Community merger will contain detailed provisions for the energy policy, but until then, the existing Paris Treaty must be fully respected."



High Authority Grants Pig-Iron Exceptions

The ECSC High Authority approved March 18 lowered tariff quotas for imports of ordinary pig-iron into Italy, Belgium and the Netherlands.

The tariff quotas will remain at the former Italian rate of 5 per cent which prevailed before the 7 per cent level was applied through the High Authority's January 15 recommendation. Recommendations for the new levels for steel and pig-iron products issued as a temporary protective measure by the High Authority included the possibility of exceptions upon consultation with member countries.

Italy lies furthest from the center of the Community's iron and steel industry, the Ruhr Valley, than the other member countries. Traditionally dependent on imports of pig-iron from outside the Community, Italy will be able to import 168,000 metric tons, Belgium 15,000 metric tons and the Netherlands 5,000 metric tons.

Belgium and the Netherlands also benefit from tariff quota exceptions for special pig iron granted by the High Authority March 4.

Labor Unions Push for Additional Policy Power

Labor unions of the Six affiliated with the Confederation of Free Trade Unions (ICFTU) called for greater influence in Community decisions and supported rapid progress toward full European economic and political unity in a resolution adopted at their fourth general assembly in Paris, March 11-13.

The resolution stated the free trade unions' intention "to support the development of a democratic United States of Europe, which as an equal partner of the United States of America, will contribute in a decisive way to the achievement of a better world."

The resolution specified the following objectives:

- Making the Community institutions more democratic including increased powers for the European Parliament and direct election of its members.
- Establishing a 'Commissariat Européen au Plan' for long-term economic planning in the Community.
- A more active social policy.
- More effective consultation between labor unions and Community institutions at all stages of policy-making.

Earlier this year, Harm Buiter, Secretary General of the European Trade-Union Secretariat, elaborated these objectives in letters to the EEC Commission and Council of Ministers.

"In this merger (Community Executives), the co-option of members representing the free trade unions must be assured," he said. "We claim this representation on the

basis of the contribution which European workers have made, and will make, to the building of Europe."

Concerning economic policy, Mr. Buiter said that European trade unions "exercise considerable influence on the establishment of short and medium-term programs in several countries. They cannot accept the virtual elimination of this influence at the European level."

"The conclusions of the European Social Security Conference of December 1962 are in danger of being pigeon-holed," he pointed out. "In other fields, insufficient progress is being made; in the social sector the pace of meetings and the gathering of essential data are being slowed down to an extent which is certainly not found in other spheres of Community activity."

However, Mr. Buiter said that the labor unions are more disturbed by the "strong tendency to transform the bipartite (employers and workers) or tripartite (employers, workers and government officials) meetings which should take place at Community level into exclusive contacts between national administrations. As a result the trade-union movement risks being excluded from the fields in which, at national level, it either shares responsibility or exercises it entirely."

"Up till now the trade union movement has supported the European institutions," he said. "But it is beginning to ask itself anxiously whether it can continue to follow this policy in view of the sparse record of achievements in a sector to which it gives priority."

ECSC Asks More Power in Merged Communities

The proposed merger of the Executives and eventual fusion of the three European Communities must preserve or extend the achievements of the European Coal and Steel Community, according to the twelfth annual report of the ECSC High Authority published in March.

"In addition," the report said, "the gaps must be filled and a series of problems of economic harmonization solved. If the ECSC accomplishments are abandoned, the whole work of uniting Europe will lose substance and strength."

The ECSC Treaty has enabled the High Authority to embark on a genuine common policy, the report pointed out, in general objectives for coal and steel, guiding and aiding investments and technical research, readaptation of workers, aid for workers' housing, and industrial redevelopment. The achievements are based on real powers and financial independence which are essential for the future development of a real Community policy, the report said.

The report also said that the Community needs additional power in the fields of energy policy and foreign trade policy, as regards steel tariffs, to meet the requirements of a real European policy and that rules of competition must be harmonized. "With coal facing difficult competition from imports and from oil and natural gas," the report said, "there is no justification for the much stricter rules applied to coal as compared with other sources of power, such as general ban of subsidies and discrimination, and the compulsory publication of price lists. The very strict ban on subsidies in the ECSC Treaty must be replaced by a selective and constructive policy of aid to the coal industry."

Brussels University Starts European Studies

The Free University of Brussels has created an Institute of European Studies to probe political, economic and social science problems posed by a United Europe. The Institute's courses will emphasize the preparation of students for positions in the Community and other international institutions.

SIECA Secretary-General Visits Community

EEC Commission President Walter Hallstein met with Pedro Abelardo Delgado, Secretary-General of the General Treaty for Central America Economic Integration (SIECA), in Brussels, April 16. Mr. Delgado was accompanied by Abraham Bennaton, director in the SIECA secretariat.

Teachers' Hospitality Yearbook Available

The 1963-64 "Yearbook of the European Teacher Hospitality," published by the European Teachers Association Secretariat, is available to instructors wishing to travel abroad on vacation or arranging student trips.

The first section of the book contains names and addresses of teachers in Western European countries who will provide information and assistance to colleagues visiting their country. Languages spoken are also indicated. Teachers available to organize student exchanges, exchange accommodations during vacations with a professional colleague, or arrange pen-pals for children are also listed. The yearbook may be obtained from European Association of Teachers, 4 rue Brulée, Strasbourg.

European Employees Aid Famine Projects

The European Community Employees' Committee of the Campaign Against Hunger has raised a total of \$15,000 since 1961 for famine relief projects.

The Committee donated \$2,000 to the Upper Volta in 1961 and \$5,000 for the purchase of agricultural equipment for Somalia in 1962. From the sums collected in 1963, India will receive \$8,000 to improve fruit and vegetable cultivation. Future donations have been provisionally earmarked for relief projects in South America.

Money is raised through community sponsored events.

Free Trade Unions Oppose Spanish Association

The General Secretary of the Confederation of Free Trade Unions, Omer Becu, registered opposition to Spain's request for admission to the European Community in a message to the European Free Trade Union Secretariat assembly in Paris March 11-13.

"The admission of totalitarian governments into the Communities, or their association with them, would cause a shock from which the Community would find it difficult to recover," he said.

"Whatever veneer of liberalization the Franco regime in Spain may attempt to acquire, its record of merciless repression of all moves toward human freedoms in Spain make any association with Democratic Europe unthinkable. If necessary the Free Trade Unions of the whole world will lend support to the Free Trade Unions of Europe in blocking any attempts to bring Spain into the European Economic Community."

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.



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