

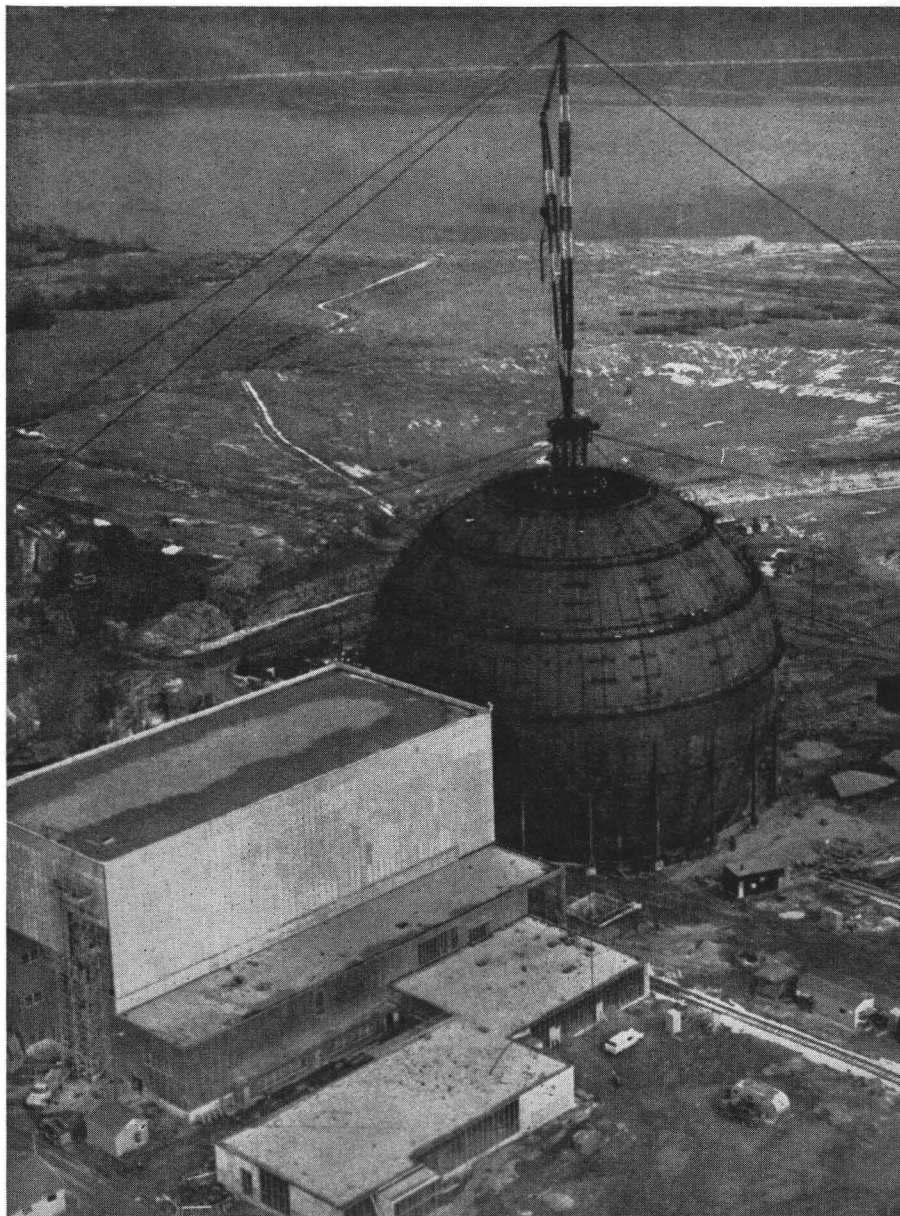
*Bulletin from the*  
**EUROPEAN**  
**COMMUNITY**  
*for coal and steel*

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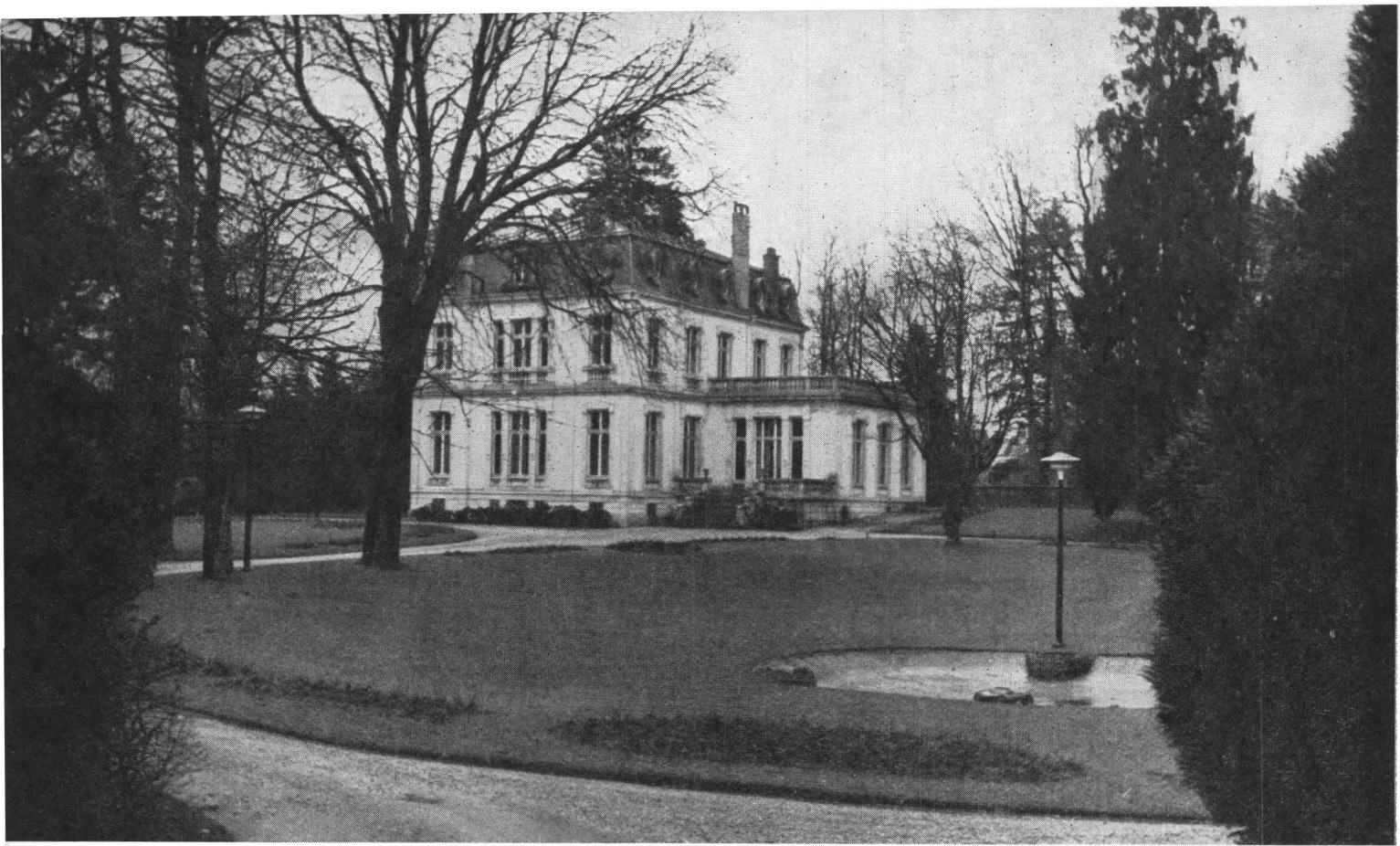
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*An aerial view of the Dresden Nuclear Power Plant in course of construction 50 miles from Chicago. The sphere will house a boiling water reactor using slightly enriched uranium, a type which may be built in the Euratom countries as a result of the proposed joint programme with the United States. (See story, page 9.)*



*Villa Vauban, Luxembourg, which has been the seat of the E.C.S.C.'s Court of Justice for the past five years.*

# Towards a New Court of Justice

## FIVE YEARS' EXPERIENCE OF E.C.S.C. COURT

With the setting up of the two new European Communities, a new Court of Justice—which will serve them and the E.C.S.C.—is also to be created. It will replace the existing Court of Justice of the European Coal and Steel Community, just as the new European Parliamentary Assembly has replaced the Common Assembly of the E.C.S.C. The date on which the new Court will officially come into being has still to be decided, but the E.C.S.C. Court is in process of finishing its own work, and this is therefore an appropriate moment to review its activities over the past five years during which it has been the “Supreme Court of Appeal” in the Community.

In forming the structure of the three European Communities, the six Member countries recognised the need for an executive body independent of Member Governments (in the E.C.S.C., the High Authority, and in the Common Market and Euratom the respective Commissions). Parliamentary control over these three executives is exerted by the European Parliamentary Assembly; but it was equally necessary to ensure the rule of law in the Communities' affairs by establishing a supreme tribunal which should be equally independent of the Member States, and whose judgments should be final and binding in all matters brought before its jurisdiction.

It was for this reason that the E.C.S.C. Treaty set up the E.C.S.C. Court of Justice, consisting of seven judges, appointed for six years by agreement among the Member Governments from persons of recognised independence and competence.

This Court held its inaugural session in Luxembourg on December 10, 1952, its members being Sig. Massimo Pilotti (President), M. Louis Delvaux, M. Ch. Léon Hammes, M. Otto Riese, M. Jacques Rueff, M. P. Joseph F. Serrarens, and M. Adrianus van Kleffens (Judges). The Court Advocates were

M. Maurice Lagrange and M. Karl Roemer, and the Clerk of the Court M. Albert van Houtte.

### **Appeals Procedure.**

Appeals to the Court can be lodged by the Government of a Member State, by the Institutions of the Community, by private firms and associations, and by individual Community officials. During its first five years of existence, the Court received 85 appeals. Of these, 46 are still in progress; 14 have been withdrawn, and 25 have resulted in a judgment\*. The large number of withdrawals is explained by the fact that under the E.C.S.C. Treaty appeals against decisions of the Community's Institutions must be filed within one month after publication of the decision in question. Many appeals have therefore been lodged in order to respect the time-limit although out-of-court settlements were being prepared. An attempt has been made to avoid this in the new Court of Justice, which under the Common Market and Euratom Treaties will permit a time-limit of two months instead of one.

\*Twenty-three judgments were actually given, covering 25 cases.



## MEMBERS OF THE COURT

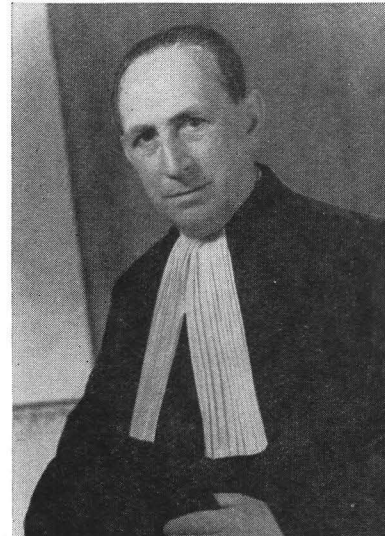
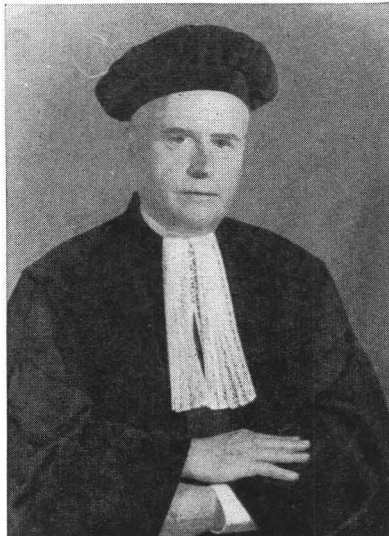
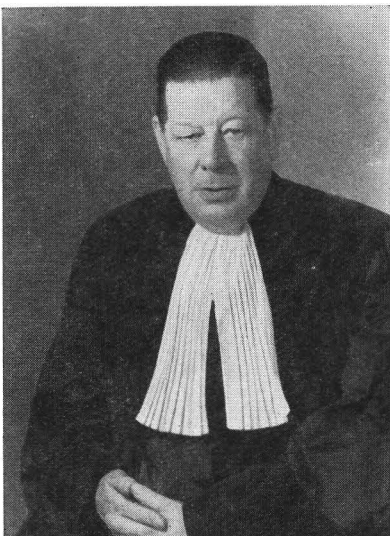
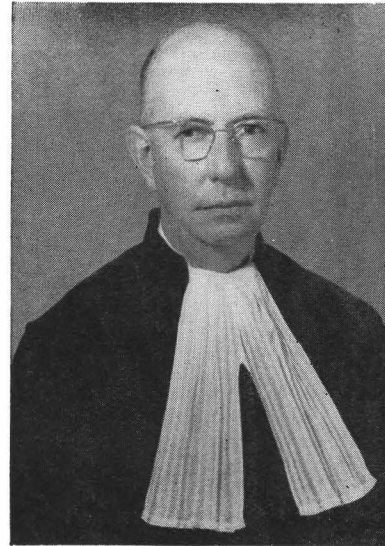
LEFT : *Signor Massimo Pilotti (President).*

BELOW : (Top Line) :

*M. Louis Delvaux.  
M. Ch. Léon Hammes.  
M. A. van Kleffens.*

(Bottom Line) :

*M. Otto Riese.  
M. Jacques Rueff.  
M. P. J. F. Serrarens.*



LEFT TO RIGHT :

Court Advocates :

*M. Maurice Lagrange.*

*M. Karl Roemer.*

Clerk of the Court :

*M. A. van Houtte.*



The procedure of the E.C.S.C. Court has been very similar to that of the International Court of Justice at the Hague, divided into three parts: first, written procedure, limited to two exchanges of documents by the parties concerned; secondly, a judicial investigation ("instruction"); and thirdly, the oral proceedings, including public hearing of the attorneys, the conclusions arrived at by the Court Advocate, and the judgment of the Court. The Court's judgments are subsequently published in the Community's *Journal Officiel* and in the *Jurisprudence de la Cour*.

#### **Broader Legal Aspects.**

The broader legal aspects of the Court can be divided into two main categories. The first concerns internal legal problems relating to the Court's jurisdiction, the protection of private interests, determination of the applicable law, and interpretation of the Treaty. The second involves what may be called external problems such as relations with and powers *vis-à-vis* Member States, the international juridical personality of the Community, the relation between Community law and international public law, and finally the supranational character of the Community.

The internal aspects of the Court's work resemble those of an administrative tribunal in French law. Two kinds of appeal can be lodged with it, the "appeal for annulment" and the "appeal to its general jurisdiction". In the first case the Court may only annul (or decide not to annul) a decision of one of the Community's Institutions: in the second case it can itself take any measures it deems fit. Appeals for annulment can be based on four traditional grounds familiar in French administrative law: "lack of legal competence"; "major violation of procedure"; "violation of the law"—in this case "of the Treaty and of any rules relating to its implementation"; and "détournement de pouvoir"—"misapplication" rather than "abuse" of power. Governments, Community Institutions, firms, and associations of firms can all appeal against individual decisions by Community Institutions, but while Governments and institutions can appeal against general decisions, firms and associations can only do so on grounds of "détournement de pouvoir". All, however, can also appeal in cases where the High Authority has failed to act.

#### **The Court as an International Tribunal.**

In addition to the "administrative" aspects of its work, the E.C.S.C. Court of Justice also operates as an international tribunal, to settle disputes between Member States concerning the application of the Treaty. This it is able to do under Article 95 of the U.N. Charter, which provides that nations may

entrust the settling of their mutual disputes to tribunals other than the International Court of Justice.

The E.C.S.C. Treaty provides that "any dispute among Member States concerning the application of said Treaty which cannot be settled by another procedure provided for in the Treaty, may be submitted to the Court at the request of one of the States which are parties to the dispute". A further article of the E.C.S.C. Treaty in effect affirms that Member States will bring such disputes before the Community Court rather than any other tribunal.

#### **Applicable Law and Legal Personality.**

The applicable law of the E.C.S.C. derives primarily from its Treaty, its annexes, protocols, and conventions; but these are supplemented by the legal acts emanating from the Community's Institutions, and agreements signed by Member States in application of the Treaty or by the Community as a subject of international law. The Treaty provides that the Community shall be a legal person, and in this respect it has exercised several important functions, including the conclusion of agreements with non-member countries, the exercise of rights of active and passive legation, the establishment of contacts with international organisations, the adoption of decisions legally binding on Member States and the taking of sanctions against them in case of disobedience. It may therefore be concluded that the E.C.S.C. possesses a large measure of international personality and that the rules of international law are applicable to it. When the E.C.S.C. Court acts in its capacity of international Court, the rules of international law accordingly complete the other sources of applicable law upon which it draws. In addition, where the Treaty does not otherwise specify, but appears to apply concepts drawn from the national law of its Member States, the Court seeks to apply legal principles universally accepted and expressed in the national law of the majority of Member States.

#### **Debate on Legal Status.**

The precise legal status of the Community has long been debated. Some have argued that since it was set up by an international treaty it constitutes an international organisation; others have seen it as a creation of joint municipal law, replacing the law of Member States within the Community's field; a third group would consider the Community as a federal institution whose law is comparable to that of a federation or confederation, such as the United States or Switzerland. In fact, the E.C.S.C. does not fit easily into any of these categories, and, while it is not fully

a "supranational" body, it is in its legal operations and in the working of its Court of Justice that its supranational characteristics appear most clearly.

### Some Typical Cases.

Typical of some of the cases submitted to the Court during its first five years of existence were the following:—

—Appeals by the French and Italian Governments and by two major Italian steel concerns, against a decision of the High Authority allowing enterprises to vary their prices within a margin of 2½% above and below their published list prices. The Court's judgments (Dec. 21, 1954 and Feb. 11, 1955) were in favour of the plaintiffs and annulled the decision of the High Authority.

—Appeals by the Netherlands Government against a decision of the High Authority fixing maximum prices for coal in the Ruhr (Western Germany), and Nord et Pas-de-Calais (France) coal fields. The Dutch Government claimed that the fixing of maximum prices was unnecessary and illegal. Its appeal was rejected (on March 21, 1955).

—Eight separate appeals—three of them by the steel producers' associations of Belgium, France and Germany respectively, and the remainder by private concerns—against a decision early in 1957 by the High Authority to impose penalties on increased consumption of scrap by the Community's steel firms, by applying surcharges rising to 100%, on absolute increases in scrap consumption relative to a reference period. The High Authority took this decision in order to meet the acute shortage of scrap threatening in 1958 and 1959, and to guide firms' investments towards steel-making processes using relatively little scrap and also towards an expansion of pig-iron capacity, since pig-iron can replace scrap in many applications. Firms which increase scrap consumption in absolute terms can cut, and even entirely avoid, payment of this surcharge, by reducing their rate of scrap consumption per ton of steel produced. All eight cases are still pending hearing.

Several of the appeals to the Court have been made by employees of the Community against internal decisions of the Community Institutions. In some of the cases the decisions were annulled and the Institutions condemned to pay damages; in others the appeals were rejected.

### Important New Decision.

On June 13 the Court published a new decision which is likely to have far-reaching effects. In giving judgment with costs against the High Authority in a case brought by an Italian steel concern, Meroni, the Court made important pronouncements regarding both the right of firms to challenge decisions of the High Authority, and the legality of the organisation through which the High Authority has been administering its scheme to equalise the cost of imported and Community-produced scrap.

The immediate point at issue concerned the High Authority's decision of October 24, 1956 according to which the Italian firm was liable to the payment of a total of 54 million lire. The sum was made up of its contribution to the Compensation Office for Imported Scrap, together with a fine for having failed to observe the High Authority's decision No. 14 of 1955 which dealt with the general liability of steel firms in the Community to contribute to the fund for the equalisation of scrap prices.

The High Authority argued that as the time limit of one month (see page 2) allowed by Article 33 of the Treaty had elapsed, the appeal by the firm against its decision could not be entertained except on the grounds of "détournement de pouvoir", and that as the general decision stood, an appeal against its application in an individual case could not be accepted. The Court, however, rejected this argument in favour of the alternative view put forward by the Advocate-General, M. Roemer. According to this, appeals against pecuniary sanction allowed under Article 36 can take into consideration also the legality of the general decision out of which they arise. The result of the Court's decision is, therefore, to make appeals against High Authority decisions possible at any time where a financial sanction is involved. In the case of a successful appeal, however, the validity of the decision is only affected to the extent of the point at issue in the individual case.

The Court also decided that the decision of the High Authority concerning the activities of the Compensation Office for Imported Scrap constituted not only a delegation of the High Authority's powers, but also went beyond the limits allowed by the Treaty, and moreover failed to guarantee the observance of a number of the rules of the Treaty. It follows from this that the High Authority will be obliged to revise its arrangements for the Compensation Office so as to bring them into line with the Court's interpretation of the Treaty.

## SOME RECENT STUDIES OF THE COMMUNITY'S LEGAL ASPECTS

### Books.

**Valentine, D. G.** *The Court of Justice of the European Coal and Steel Community* (Martinus Nijhoff, The Hague, 1955).

### Articles.

**Bebr, Gerhard.** "The European Coal and Steel Community: a Political and Legal Innovation", *The Yale Law Journal*, Vol. lxiii, pp. 1ff (New Haven, Connecticut, U.S.A., November, 1953).

"Protection of Private Interests under the European Coal and Steel Community", *Virginia Law Review*, Vol. xlii, pp. 879ff (Charlottesville, Virginia, U.S.A., November, 1956).

"The Development of a Community Law by the Court of the European Coal and Steel Community", *Minnesota Law Review*, April, 1958.

**Stein, Eric.** "The European Coal and Steel Community: the Beginning of its Judicial Process", *Columbia Law Review*, Vol. lv, pp. 985ff (New York, November, 1955).

"The Court of Justice of the European Coal and Steel Community: 1954-1957", *The American Journal of International Law*, Vol. li, pp. 821ff (Washington, D.C., October, 1957).

**Valentine, D. G.** "The first judgments of the Court of Justice of the European Coal and Steel Community", *Modern Law Review*, Vol. xx, pp. 596ff (London, November, 1957).

"The Court of the European Community", *Law Journal*, February 14, 1958.

# THE COMMON MARKET AND ITS EUROPEAN NEIGHBOURS

## STATE OF NEGOTIATIONS REVIEWED

The problem of the relations between the Common Market of the Six and the other European countries who are members of the Organisation for European Economic Cooperation has still to be resolved. Negotiations have been going on within O.E.E.C. for some 18 months to find a solution on the lines of the proposed Free Trade Area, but these have recently been held up by events in France. This article reviews the position reached prior to the French crisis.

In July 1956 when the six member countries of the E.C.S.C. were beginning to draft the Rome Treaty after the publication of the Spaak Report in April 1956, the Council of Ministers of the O.E.E.C. decided to study the possible forms of multilateral association between the Community of the Six and other O.E.E.C. countries\*. In January 1957 a working party set up by the Council reported that such an association, in the form of a Free Trade Area, was technically possible. The following month the Council therefore decided to start negotiations on the Area, but these were subsequently suspended until the ratification of the Rome Treaty itself.

In October 1957 negotiations were resumed, this time with the setting up of an Inter-Governmental Ministerial Committee under the chairmanship of Mr. Reginald Maudling, Paymaster General. With the aid of a number of specialised working groups, the examination was begun of the Rome Treaty itself to see which features could be adopted in a Free Trade Area, and which should either be modified or omitted. This examination showed, however, that in a number of important respects the proposed Free Trade Area differed from that of the Common Market. Among these, the absence of a common external tariff, and the apparent wish of the U.K. Government in the early stages of the negotiations to restrict the Area to industrial products, were the two which attracted the most attention. The reservations advanced in France—notably by the Patronat Français—at one moment appeared so serious that it appeared unlikely that agreement could be reached, at least on a Free Trade Area on the lines of that originally proposed.

### Support from Communities.

Subsequently, however, statements by various responsible national politicians and by the Presidents of the European Economic Commission, Professor Walter Hallstein, and of the High Authority, M. Paul Finet, made it clear that, while they remained unshakable in their intention to preserve intact the Treaties of Rome, they were deeply conscious of the need to extend European unity beyond the frontiers of the Six and prevent the division of Europe which seemed to be threatened. Professor Hallstein, writing in the *Financial Times Survey* of "The New Europe" published early this month, reaffirmed this when he wrote :—

"The Commission of the European Economic Community is unanimous in believing that every effort must be made to achieve some such association with the Community, provided, of course, that this in no way weakens the measure of integration achieved in the Common Market."

Possibly an important factor in the improvement of the atmosphere which followed such statements was indeed the real unity of the Six and their ability to influence the attitude of the French Government. At all events, detailed work by a special group set up by the ministers of the Six produced a draft report outlining a common view on the Free Trade Area which

was due to be presented to the ministers themselves in Brussels on May 21. Once approved, work would then have begun on a joint memorandum for submission to the Inter-Governmental Ministerial Committee in Paris. On that same day, however, M. Victor Larock, then Belgian Foreign Minister, announced that the discussions had had to be postponed owing to the situation in Algeria, and subsequently the deepening crisis in France resulted in a temporary suspension of further consideration of the situation.

### The Points at Issue.

Meanwhile, the situation from the British point of view had been summed up by Mr. Maudling, Chairman of the Inter-Governmental Committee, in a speech made to the Consultative Assembly of the Council of Europe at its session in Strasbourg from April 28 to May 3.

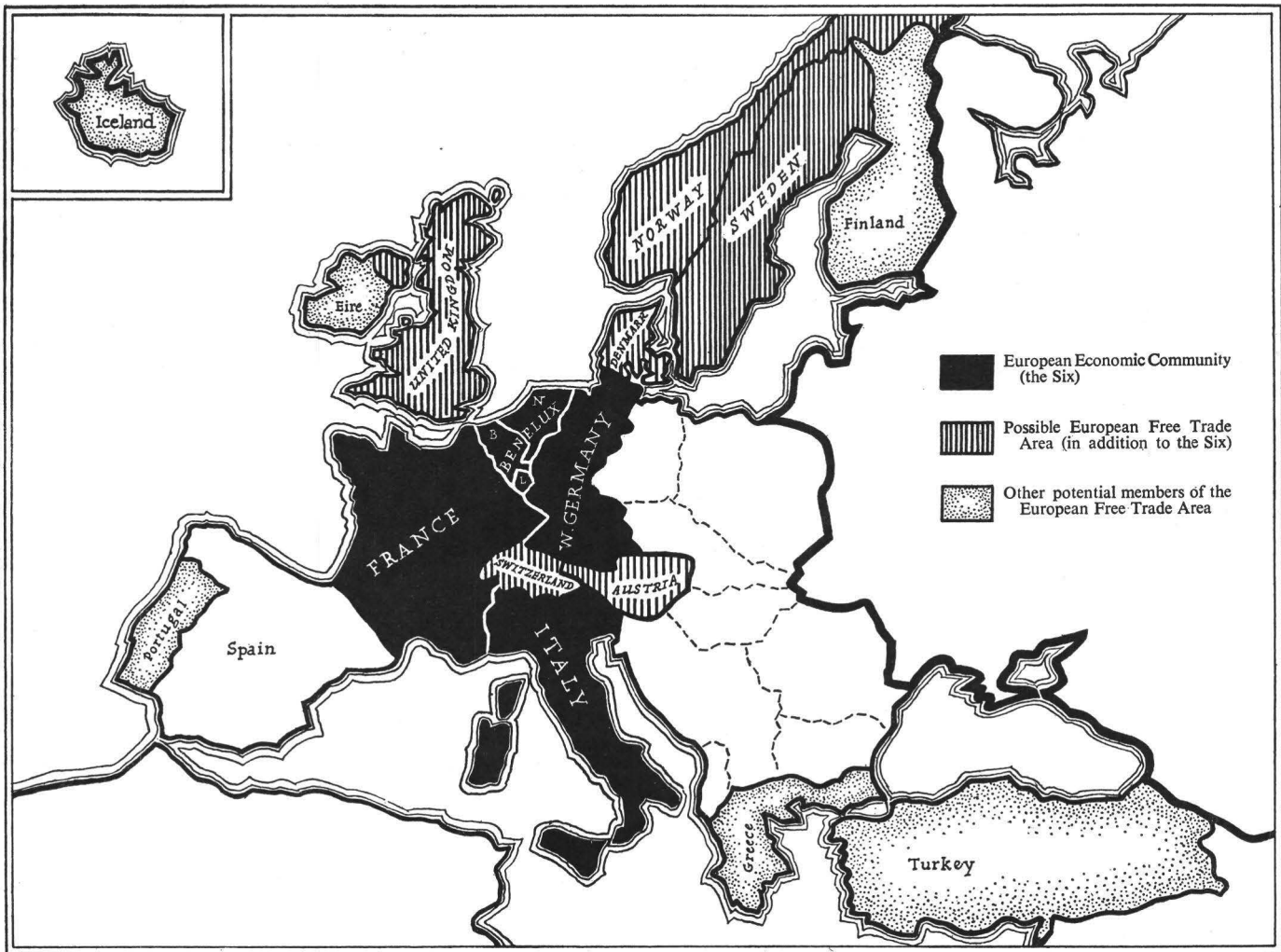
Dividing the points at issue into two categories—those which appeared to be on the point of solution and those for which no solution was yet in sight—he placed the following points in the former category:—

- (1) The inclusion of coal and steel in a Free Trade Area;
- (2) Payments questions and measures to enable underdeveloped countries to join from the outset;
- (3) The question of institutions.

In the category of problems for which no solution was yet in sight Mr. Maudling listed:—

- (1) *Agriculture*: with its twin difficulties of trade and government assistance to agriculture. The different nature of the agricultural problem might mean that a separate agreement from that on industrial goods would be necessary for agriculture, since neither agreement could be applied without the other.
- (2) *The problem of origin*: this could, of course, be solved by adoption of a common tariff and common economic and social policies, but a common policy of this kind would imply a degree of integration which some countries could not accept. At the same time, Mr. Maudling said, the absence of a common external tariff should not prevent harmonisation in a downward direction of the various tariffs; this would prevent major distortions of trade and also permit the development of trade with the rest of the world. However, some countries thought that it would be necessary to have precise safeguard clauses and clear definition of origin; the danger was that if these rules were too strict they would hamper rather than facilitate the development of trade.
- (3) *The special situation of France*: the advantages which she has been granted under the Rome Treaty and the divergence of opinion between her and Britain: these were clearly obstacles to the setting up of the Area. But an effort of mutual understanding and the memorandum to be submitted by the Six to the O.E.E.C. Inter-Governmental

\*These are: Austria, Denmark, Greece, Iceland, Ireland, Norway, Portugal, Sweden, Switzerland, Turkey and the United Kingdom.



Committee might be able to solve this thorny question, Mr. Maudling said.

Turning from his role as Chairman of the Inter-Governmental Committee to his position as a British Minister, Mr. Maudling stressed that Britain's position in the Commonwealth, which was criticised by some as incompatible with membership of a Free Trade Area, involved heavy charges and responsibilities as well as benefits. Criticism of the imperial preference system was thus based on a misunderstanding of its nature, he said.

#### Need for Rules and Institutions to enforce them.

M. Fayat, Belgian Minister of Foreign Trade, said that after the first two or three years the Free Trade Area would bring about important changes in structure which would require clear rules and, accordingly, institutions with power to take decisions and enforce them. "It would be unreasonable to think you can abolish frontiers without putting in their place an organisation able to ensure respect for freedom of circulation."

In the subsequent debate, it became clear that no one disputed the political need for a Free Trade Area, or the overall economic benefits it would bring. Representatives of several of the small countries outside the Six said that the economic power of the Community was such that failure to negotiate a Free Trade Area could have a disastrous effect on their economies. It was hoped that the Carli proposal for a rough harmonisation of external tariffs, and the imposition of compensatory duties on goods coming from countries with tariffs

below the average level, would help to solve the problem of origin.

But several speakers insisted on the French objections to Britain's enjoying the double benefit of membership of the Commonwealth and the Free Trade Area, and former French Premier, Paul Reynaud, said that the proposals for such an Area did not show the same understanding of France's traditionally protectionist economy or provide the same guarantees of harmonisation which her partners in the Rome Treaty had granted her. He thought that even if a French Government signed a Free Trade agreement of the kind at present proposed, it would never get it ratified by the National Assembly. France was favourable to the principles of a Free Trade Area, but on condition that it was made possible for her to join.

#### Industries of the "Other Six" Produce New Plan.

A new element was injected into the situation in mid-April when the industrial federations and employers' organisations of Austria, Denmark, Norway, Sweden, Switzerland and the United Kingdom published a joint statement\* setting out their proposals for a Free Trade Area (to be re-named "Euromarket"). The statement showed a significant advance in the thinking of industrialists in those countries.

Its main points were:—

- (1) *Agriculture*: it recognised that agriculture cannot be excluded from the new arrangements. Special arrangements should

\*Free Trade in Western Europe, Paris, April 14, 1958.

be negotiated for agricultural products proper with a view to promoting freer and expanding trade, while "a wide range of industrially processed products of agriculture and fisheries" would be included in the free trade area for industrial goods. (It is worth noting here that Britain's National Farmers' Union has ranged itself alongside this point of view, adding, "Agriculture is no longer an obstacle barring the way to conclusion of a Free Trade Area agreement".)

- (2) *Problems of origin*: here the statement remains far from the views of the Six. It suggests that the problem be dealt with by certificates of origin (as in the British proposals) with the rules and forms made as simple as possible. Agreement in advance on harmonisation of tariffs, with compensatory tariffs where necessary, is rejected, and it is proposed instead that specific cases of deflection of trade be dealt with by a complaints procedure allowing the executive body of the Area to apply measure of this nature where necessary.
- (3) *Escape clauses*: the rules on this point should define clearly and restrictively the conditions in which escape clauses can be invoked, and the scope and duration of the measures, the statement says. The executive body of the Area should have power to approve, modify or cancel, any unilateral action taken to remedy balance-of-payments difficulties, and to authorise counter-measures in case of non-compliance. The provisions of the Treaty of Rome for mutual aid in balance-of-payments difficulties should be incorporated in the Free Trade Area Convention. The statement urges that the Convention should also incorporate provisions as wide as those of the Rome Treaty for aid to hard-hit industries.
- (4) *Rules of Competition*: the statement goes a long way towards suggesting a complete set of rules, to be enforced by the appropriate Institution through a complaints procedure. Subsidies and other state aids to industry should be banned, and quantitative and other export restrictions and discriminatory dual pricing should be gradually abolished. Discriminatory use of domestic indirect taxation such as sales and purchase taxes should be banned; anti-dumping rules should be applied, and Governments should be enabled to bring complaints against cartel and monopoly practices which "frustrate the objectives of the Free Trade Area".
- (5) *Free circulation of capital, labour and services*: these are all advocated, including progressive realisation of the right of establishment for all firms within the Free Trade Area. It is recognised, however, that special difficulties in certain countries could set limits to the mobility of labour. For transport, all discrimination by nationality should be forbidden, international through-rates should be introduced for rail traffic, and free transit of road haulage traffic should be provided for, with abolition of the present system of permits.
- (6) *Economic and financial policy*: the industrialists suggest frequent contact and voluntary co-operation as a means of obtaining a trend towards harmonisation of economic and financial policy, and reject prior harmonisation of social charges, wages and working conditions. They also reject a joint Investment Bank and a Social Fund, doubting whether they will meet the needs for funds or be able to operate along commercial lines, but they propose "international aid activities" for displaced workers. (Many Community observers would regard this argument as

doubtful, particularly in view of the statement's approval of aid to hard-hit industries; on harmonisation, of course, the industrialists are in direct opposition to the French view.)

- (7) *Institutions*: the industrialists of the "other Six" recognise the need for new agencies strong enough to be effective and to carry out disciplinary measures. The executive institution should be able to call on Member Governments to abandon or forbid practices contrary to the Convention, and to sanction counter-measures if they do not comply. In dealing with many of the complaints brought before it it should act by majority vote, they urge. Thus the statement suggests that the Free Trade Area should be run under a stronger set of institutions than those of the O.E.E.C. in its present form.
- (8) *Coal and Steel*: the industrialists recommend that these products should be subject to the same rules as other industrial products.

On the question of agriculture and institutions the statement indicated that the industrialists and employers had moved significantly closer to the viewpoint of the Six; on problems of origin (on which the Six themselves do not yet appear to have reached a final decision), and questions of harmonisation and safeguards, however, there was clearly still a wide gap. The recommendation on coal and steel was not in fact as different as it may seem from the ideas expressed in recent speeches by the High Authority's President, M. Paul Finet, and its Vice-President, M. Dirk Spierenburg, since many of these ideas were put forward by the industrialists for the Free Trade Area in general. (In a recent speech in Copenhagen, M. Spierenburg listed as indispensable for free trade in coal and steel: 1) a ban on subsidies, direct and indirect; 2) price publicity, with some means of avoiding dumping and discrimination; and 3) provision for positive joint action on supplies in case of a severe shortage and on production and employment in a slump.)

The action by the industrial associations of the "other Six" produced speedy reactions among the industrial federations of the other member countries of the O.E.E.C. Meeting in Paris in mid-May, the Council of Industrial Federations of Europe set up a Committee of 17 members (one for each country) to produce a draft report for discussion at a plenary session to be held on June 12 and 13. Clearly, constructive joint proposals by the industries of all the O.E.E.C.'s member countries could have an important influence on the negotiations.

### Free Trade Unions Seek United View.

Meanwhile, the Free Trade Unions of Europe also acted to increase their influence on the course of the negotiations. Meeting in Brussels from May 13 to 15, they urged the Governments taking part to declare officially that the maintenance of full employment and the harmonisation of living conditions in an upward direction were two of the major objectives of the Free Trade Area, and to ensure that the Area's institutions were capable of fulfilling these two aims. They also demanded that they should be regularly consulted by the Governments during the negotiations, and for this purpose they instructed their Economic Committee (see February 1958 Bulletin, page 4) to follow day by day the course of the negotiations in the O.E.E.C.'s Inter-Governmental Committee.

At the same time, the Economic Committee was to examine and try to bring into harmony the positions of the trade unions of the Six, on the one hand, and those of Austria, Britain, Denmark, Norway, Sweden and Switzerland on the other, so as to produce a united trade-union viewpoint on the Free Trade Area.



# U.S.—EURATOM JOINT NUCLEAR PROGRAMME

## Collaboration in research and power development

First official details of the proposed joint nuclear power and research programme to be undertaken by Euratom in collaboration with the United States Government and Atomic Energy Commission were published on June 24 when it was announced that President Eisenhower had submitted the proposed Agreement to the U.S. Congress for "urgent" consideration. The major aim of this programme is the construction of large-scale atomic reactors of an installed capacity of 1 million ekW. to be brought into operation in the Euratom countries by 1963.

The programme is a two-way plan offering benefits to both sides. The Euratom countries will gain from U.S. experience and capacity in order to make a rapid start on the nuclear power development they need to meet their ever-growing shortage of energy: while the United States for its part will gain experience in Europe on large-scale atomic reactors which the lower cost of conventional power-stations in the United States would make it less economical to build in America.

The two-fold nature of the joint programme is reflected in the provisions of the Memorandum of Understanding between the U.S. and Euratom. This provides for a power programme of approximately 1 million kW. installed capacity by 1963, whose total capital cost is estimated at 350 million dollars, and a ten-year joint research and development programme, whose cost during its first five years will be a further 100 million dollars.

### Power.

The Euratom Commission and the U.S. Government will jointly establish technical standards and procedures for selection of the programme's reactor projects, which may be proposed, constructed, and operated by private or public bodies. The reactors, which must be of proven types on which research and development has been carried to an advanced stage in the U.S., are likely in the initial stage to be pressurised water or boiling water reactors using enriched uranium. It is expected that some 6 to 8 of these reactors will be built in the various Euratom countries, their size varying from 100-150 mW. capacity.

The total capital cost, amounting to 350 million dollars, will be shared as follows: approximately 215 million dollars may be provided by the participating utilities and by other European sources of capital; up to 135 million dollars may be provided by the United States Government in the form of long-term credits to Euratom, which will re-loan such funds for the construction of the facilities.

### Supply of Fuel.

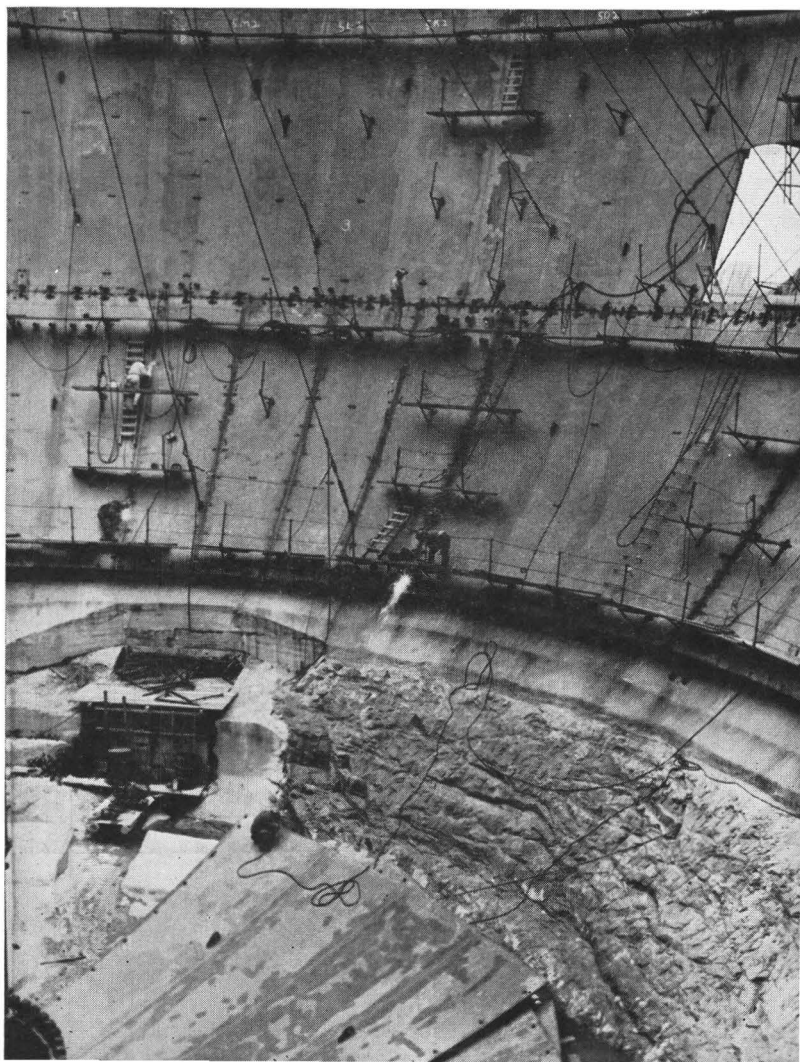
The fuel for the power programme is expected to amount to 30,000 kg. of slightly enriched uranium. The U.S. Atomic Energy Commission guarantees full supply of this material for 20 years' operation at U.S. domestic prices in effect at the time of the transfer. Payment by Euratom on the principal may be deferred up to December 31, 1973, at an interest rate of 4 per cent. per annum. The A.E.C. also guarantees the cost and performance of fuel elements and will provide chemical processing and related services at published U.S. domestic charges, until such time as this may be possible within the Community itself. This provision, which circumscribes the commercial risk, should prove a major incentive to Community plant operators. Plutonium resulting from the fuel cycle will be bought from Euratom by the U.S. for peaceful uses at the U.S. announced prices in effect at the time of the purchase.

Public or private plant operators whose reactor projects are accepted for the programme will have full authority and responsibility for running the power-stations according to a programme agreed upon. They will in addition be able to incorporate in the construction and operation of the plant any discoveries, improvements, and economies made possible by the research and development programme.

### Research and Development.

In addition to the power programme, the Memorandum of Understanding provides for research to be pursued in the United States and in Europe within the framework of a joint research and development programme, based on the types of reactors to be built. Its aims will be to improve reactor performance, to lower fuel cycle costs, and to deal with plutonium recycling and other relevant problems.

Established for a ten-year period, it will be financed by joint U.S.-Euratom contributions of 50 million dollars each during the



*Workmen welding together the plates of the sphere of the Dresden Nuclear Power Plant, the largest so far built in the United States. When in operation it will produce 18,000 units of electric power.*

first five years. Funds for the second five years may be of the same order of magnitude. The A.E.C. and Euratom are to exchange information resulting from the joint programme as well as from research on the same subjects undertaken outside the joint programme, subject to mutually available patent guarantees.

### Guarantees and Controls

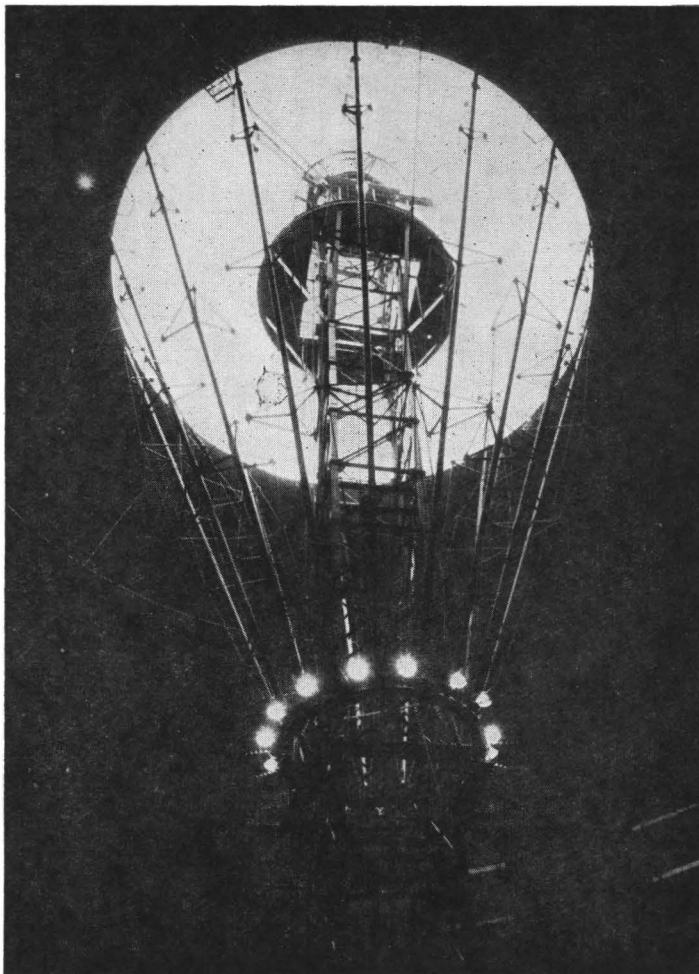
Euratom guarantees that fissile materials used in the framework of the joint programme will be put exclusively to peaceful uses and will not be transferred to unauthorised persons. The Euratom inspection and control system for this purpose will benefit from American technical experience. The inspection and control will be the exclusive responsibility of Euratom.

### Miscellaneous

The Memorandum further provides for U.S.-Euratom co-operation on the following problems: the setting-up of an organisation for administering the programme; the training of personnel; and the development of joint industrial activities. In accordance with the Euratom Treaty, the Euratom Commission will work to minimise the impact of customs duties on the import

BELOW :

*Inside the sphere of the Dresden plant before the removal of the derrick used in its construction. (Photographs by courtesy of U.S. Information Service.)*



of goods and materials under the programme. Existing agreements for cooperation between Euratom Member States and the U.S. Government are not modified by the joint programme, but will be subject to appropriate negotiations with a view to Euratom's assuming the rights and obligations now set forth in those agreements.

Finally, both parties recognise the necessity of working out suitable measures to secure protection against third-party liability.

### Euratom's Target

More than a year ago, the Report of the "Three Wise Men" set as a target for Euratom the installation of 15 million kW. shortly before 1970. Today it seems unlikely that this objective will actually be reached by the date laid down. But Europe has an essential interest in ensuring that the delay in reaching the target be reduced as much as possible. The joint U.S.-Euratom programme, largely in addition to existing national projects, represents a further step towards this objective. Furthermore, it may be complemented by other international agreements such as that now in course of negotiation between Euratom and the United Kingdom.

The studies conducted by the joint Euratom-U.S. working party which prepared the Memorandum of Understanding largely confirmed the cost estimates worked out by the Three Wise Men, affording an overall power cost (including capital and fuel cycle costs) in the range of 10-14 mils per kW./hour.

The joint U.S.-Euratom programme follows the suggestion made in the joint communique published after the Wise Men's visit to Washington, on February 8, 1957 foreseeing "a fruitful two-way exchange of experience and technical development, opening a new area for mutually beneficial action on both the governmental and the industrial level and reinforcing solidarity within Europe and across the Atlantic."

## TALKS BEGIN WITH U.K.

Following the announcement last month that talks were to begin shortly between the U.K. Government and the Euratom Commission with a view to a technical collaboration agreement between the two sides, two Euratom representatives visited London on June 17-18 for exploratory discussions with the U.K. Government and the U.K. Atomic Energy Authority.

Euratom was represented by M. Max Kohnstamm, special adviser on energy matters to the High Authority of the E.C.S.C. (who has been closely associated with the work of the new Community), and M. Foch, a director of Euratom's External Relations Division. The official communique issued after the talks reported that "there was a useful exchange of views about methods of collaboration between Euratom and the United Kingdom, and in particular about the contents of a possible collaboration agreement between H.M. Government and Euratom".

Further meetings will be held in the middle of next month at Brussels.

# COMMUNITY NEWSBRIEFS

*E.C.S.C. : COMMON MARKET : EURATOM*

## **Towards a European University.**

The Council of Ministers on May 21 decided to appoint a special Committee to draw up proposals for the setting up of a European university. The Committee, which will comprise representatives of the six Governments and the executives of the three European Communities, will submit a summary report as soon as possible, probably by the beginning of September, and a full report, including the faculties to be established and the methods by which teachers and students will be chosen, by October 1.

The decision has been taken under the article of the Euratom Treaty which envisages the founding of institutes at university level, for the training of specialists in nuclear research. It is believed, however, that various quarters contemplate an institution on a much broader scale, which would plan its study courses in the new European spirit. A university of this kind could also make a major contribution to the training of the scientists and other experts for the development of European industry and the Community's economy in general.

At the end of April, Walter Hallstein, President of the European Economic Commission, accompanied by Vice-President Mansholt, visited the European School in Luxembourg and expressed great interest in the European type of education it provides.

## **Co-ordination of Community's Economic Surveys.**

The Community's Council of Ministers is contacting the European Economic Commission and the High Authority in order to find a way of ensuring the co-ordination of work on surveys of economic activity in the Community.

Hitherto the High Authority, in accordance with the E.C.S.C. Treaty, has published quarterly estimates of production, consumption and foreign trade. These have always contained a fairly detailed survey of economic activity in general, on which the estimates were in large part based.

Co-ordination between the two executives will be necessary since, although the Commission is primarily responsible for matters concerning general economic development, the High Authority will still require data on the general economic situation in order to make its estimates for coal and steel.

## **Common Market**

### **Economic and Social Committee's First Meeting.**

The newly constituted Economic and Social Committee of the European Community held its first plenary session in the Belgian Senate in Brussels on May 19. The formal morning session of the Committee, almost all of whose 101 members were present, was opened by M. Victor Larock, Belgian Minister of Foreign Affairs and current chairman of the Economic Community's Council of Ministers.

M. Larock stressed the importance of the Committee's future tasks; it was a body attached not to any one of the Communities' Institutions but to all of them together; and among the subjects on which it had to be consulted were such crucial ones as the working-out and implementation of a common agricultural policy, the application of the rules of com-

petition, the abolition of trade barriers, free movement of labour, and so on. He also underlined the difficulty which the Ministers had experienced in distributing the seats in the Committee, but believed they had carried out the instructions of the European Parliamentary Assembly concerning equal representation of employers' and workers' organisations.

President of the Economic Commission, Walter Hallstein, after declaring that the vote of the Committee would be an essential element in the Commission's deliberations, declared that the Community was the largest trading power in the world; it could become its greatest producing power also; and it already constituted a political unit of growing importance.

Main feature of the first working session, held in the afternoon, was a vigorous protest from the trade union representatives that they had in fact been allocated only one-third, and not one-half, of the seats, except in the case of the Netherlands and Belgium. Herr Ludwig Rosenberg, representing the Free Trade Unions (I.C.F.T.U.), warned the Governments that continuation of their "anti-union policy" would lead to serious conflicts and could alienate the trade unions, which had hitherto been in the vanguard of the forces for European unity.

## **E.C.S.C.**

### **Council of Association Meeting**

The problems facing the coal and steel industries of the United Kingdom and the Community were considered in London on June 12 at the seventh meeting of the Council of Association between the U.K. Government and the High Authority. The Council decided to instruct its Coal Committee to look into the particular question of the trade in coal between the two sides "on a long-term and if possible permanent basis". The Vice-President of the High Authority Mr. Dirk Spierenburg, later explained in an interview on the B.B.C.'s "At Home and Abroad" programme that this meant among other things an examination of the possibility of long-term contracts for the export of British coal to Community countries.

The Council also note that the Belgian Government's decision to impose certain restrictions on coal imports from non-Community countries (of which the U.K. Government had been notified in accordance with Article 7 of the Treaty of Association) was unlikely to have serious repercussions on the level of the coal trade between the United Kingdom and Belgium, given the small volume of exchanges and the qualities of coal exported.

On this occasion the U.K. Delegation was led by the Rt. Hon. Lord Mills, Minister of Power, who presided at the meeting. The other U.K. representatives were Mr. J. R. Vaughan Morgan, M.P., Minister of State, Board of Trade; Sir James Bowman, Chairman of the National Coal Board; and Sir Archibald Forbes, Chairman of the Iron and Steel Board.

M. Paul Finet, President of the High Authority, led its delegation, the other representatives being Mr. Dirk Spierenburg, Vice-President, M. Albert Wehrer, and Herr Franz Blücher, Members of the High Authority. The delegation was received by Mr. Selwyn Lloyd, H.M. Foreign Secretary, the following morning.

## Major Research Programmes Approved.

Since the beginning of May the High Authority has approved contributions totalling nearly \$10 million to six major research programmes for coal and steel. All six proposals were approved by the Consultative Committee on May 30, and now require only the approval of the Council of Ministers.

The six projects are as follows:—

(1) Joint project by Charbonnages de France and the German Steinkohlenbergbauverein to construct a fully mechanised universal tunnelling machine for coal-mines, capable of cutting underground roadways through all types of coal-bearing geological formations, including the hardest rock, without drilling or explosive charges. The machine would load mechanically and continuously the material it cuts down.

Total cost: **\$1 million.** High Authority contribution: **\$850,000.**

(2) Project by Bureau des Mines de la France d'Outremer for iron-ore and manganese prospecting in French West Africa (French Guinea, Ivory Coast, Dahomey, Sudan and Cameroons).

Total cost: **\$10 million over 15 years.** High Authority contribution: **\$5 million.**

(3) Joint project by Belgian Coal Federation (Fedechar) and Charbonnages de France for research on the phenomenon of instantaneous escapes of fire-damp in mines.

Total cost: **\$545,900 over three years.** High Authority contribution: **\$545,900.**

(4) Joint project by the Steinkohlenbergbauverein (Germany), Fedechar (Belgium), Charbonnages de France and the Dutch mines for research on the effects of ground pressures in underground workings.

Total cost: **\$1.7 million over five years.** High Authority contribution: **\$1.7 million.**

(5) Project by German organisations for research on the suppression of the particularly obnoxious brown smoke emitted by steel converters.

Total cost: **\$830,000.** High Authority contribution: **\$475,000.**

(6) Three projects for the direct reduction of iron ore, involving a total High Authority contribution of \$1.2 millions. The projects are:—

(i) Project by FINSIDER (Italy) using shaft furnace.

Total cost: **\$1.25 millions.** High Authority contribution: **\$1 million.**

(ii) Project by Verein Deutscher Eisenhuettenleute, using rotary furnace.

Total cost: **\$150,000.** High Authority contribution: **\$120,000.**

(iii) Project by Centre International de Recherches Metallurgiques (Liège, Belgium).

Total cost: **\$100,000.** High Authority Contribution: **\$80,000.**

## Levy Rate for 1958-59 fixed.

The High Authority has decided to maintain the rate of its levy on the value of coal and steel output at an unchanged rate of 0.35 per cent. in the financial year 1958-59. Its action was taken following a unanimous recommendation from the European Parliamentary Assembly's Investments, Social Affairs and Budget Committees that the levy be maintained at an unchanged rate.

The High Authority's receipts from the levy in 1958-59 are estimated at 23.8 million dollar-units of account, which with

other income from interest, fines, etc., will give a total estimated income of 28.3 million dollars.

The Socialist members of the Parliamentary Committees gave as a major reason for not reducing the levy the need to maintain as large a reserve as possible for readaptation, in the light of the current slackening of the rate of economic expansion in the Community. (The readaptation fund at the end of 1957 stood at 26.7 million dollars.)

## More Readaptation in Italy.

The High Authority and the Italian Government have signed an agreement for readaptation of up to 500 Italian steelworkers. Signature of the agreement followed immediately after the approval of the High Authority's plan by the Council of Ministers on April 29.

Although the agreement covers a ceiling of 500 workers, only 400 actually have been dismissed or are about to be dismissed by the firms in question (Safim of Milan, ILSSA-Viola of Ponte San Martino, Metallurgica Bresciana and Italghisa of Bagnolo Mella).

The workers concerned will receive tide-over allowances on a descending scale for a period of up to 15 months; removal and re-installation allowances where necessary; and free vocational training where required for a new job. The scale of allowances will be as for the agreement on readaptation of 1,650 Italian steelworkers signed in July last year. Charges will be borne equally by the Italian Government and the High Authority.

The French Government has also asked the High Authority to institute readaptation aid for a total of 174 miners who are due to be dismissed at two pits of the nationalised Charbonnages de France.

## Euratom

### Inventory on Current Research Programmes.

The Euratom Commission is drawing up a questionnaire which will be sent to all organisations and firms undertaking research on nuclear matters and projects. The questionnaire will enable it to draw up the complete inventory of all research projects needed to permit it to carry out its task of co-ordinating and guiding atomic research in the six Community countries.

A special working group, headed by M. Gueron, Director of Research in the Commission, has been set up by the Commission to carry out the task.

## For Further Information

For a list of publications, and details of other facilities offered by the Information Service of the High Authority, please write to:—

**The Press and Information Officer,**

**European Coal and Steel Community,**

**Delegation in the U.K. of the High Authority,**

**23, Chesham Street, London, S.W.1.**

*(Tel. : SLOane 0456/8)*