

fuels, such as coal and oil. The nuclear common market came into effect at one step on January 1, 1959. The Supply Agency set up by the Treaty has a first option on all the ores, source materials and "special fissionable materials" used in the production of nuclear energy that are produced within the territories of the Community. It also has the exclusive right, subject to certain specified safeguards, to conclude agreements with third countries or with other international organizations for the supply of these materials from outside the Community. Member countries will therefore obtain their supplies only through the Agency and in the case of special fissionable materials which can be used directly in the production of weapons (plutonium, uranium 233 and enriched uranium), ownership will remain with the Community.

Up to the present time, the Community, acting through its Commission, has concluded agreements for co-operation in the peaceful uses of atomic energy with the United States and the United Kingdom and the negotiations are at present underway with Canada. (A more complete article on Euratom will be published in a later issue of this bulletin.)

The establishment of the general common market, which entails the abolition of tariffs and quotas among the six countries of the EEC and the establishment of a common external tariff towards other countries, will take place gradually over a period of 12-15 years. The first step came into effect on January 1, 1959, when each of the six countries lowered its tariffs towards the others by ten percent and at the same time "globalized" quotas and enlarged them by 20 percent. The effect of this action on quantitative restrictions is most easily explained by a brief hypothetical example. Suppose that France had maintained quantitative restrictions on imports of shoes and by bilateral agreements with Germany and Italy permitted imports of 30,000 pairs and 15,000 pairs per year respectively from these countries. On January 1, 1959 the two quotas would become a single global quota of 45,000 pairs, and would be increased by 20 percent, that is to 54,000 pairs for which all five other members of the Community would freely compete.

Proposal for a Free Trade Area

Article 237 of the Treaty of Rome provides that any European state may apply to become a member of the EEC. No country has as yet taken advantage of this article, but the United Kingdom and ten other states—all the remaining members of the OEEC—began in July 1956 to actively explore with the Six "possible forms and methods of association, on a multilateral basis, between the proposed Customs Union (i.e. the European Economic Community) and member countries (of the OEEC) not taking part therein". The eleven countries in question had their individual reasons, economic and other, for not wishing to join the European Economic Community, though they probably all shared a reservation about the "supranational" powers conferred by the organs of the Community and hesitated to accept a partial surrender of national sovereignty. So far as the United Kingdom was concerned, there was the further consideration of its economic and other links with the Commonwealth which were incompatible with its entry into a customs union such as that to be established by the Treaty of Rome. On the other hand, in view of the close business and trading relations with the Six, the Eleven—as they came to be called—could not easily face the prospect of being barred by the external tariff wall around the Community from an opportunity to compete on equal terms in the markets of the Six.