

# EUROPEAN ECONOMIC COMMUNITY

The month of March at the Law Center was highlighted by a series of lectures on the subject of the Common Market given by Dr. Ernst Steindorff, Professor of Law at Tübingen University in the Federal Republic of Germany. A gentleman eminently qualified to discuss the history and importance of the European Economic Community, Professor Steindorff was a member of the German delegation to the first conference of the European Coal and Steel Community. He is currently teaching Commercial Law and Contracts, inter alia, at Tübingen.

Professor Steindorff came to the United States to study the U.S. Constitution and anti-trust legislation, from the vantage point of state versus federal anti-trust problems, for the purpose of better coping with similar problems between the E.E.C. and its member nations. He was invited to conduct the lecture series of the Law Center by Dr. Heinrich Kronstein, S.J.D., '40.

The series of six lectures were held on consecutive Tuesdays and Thursdays of the latter three weeks in March. Dr. Steindorff devoted the first five lectures to tracing the development of the European Economic Community, better known as the Common Market, outlining its advantages and present problems, explaining its organization and administration, and discussing its role in the Europe and world of tomorrow. The last session was devoted to questions from the audience.

## Origins of Common Market

Dr. Steindorff explained that today there are three European "Communities": the European Economic Community, the Coal and Steel Community and the European Atomic Community. All three are composed of

six member states, France, Germany, Luxembourg, Belgium, the Netherlands, and Italy.

He traced the development of the European Economic Community (EEC) from the Marshall Plan, which he said was intended to help a Europe willing to help itself. France and Germany took up the challenge by combining their coal and steel industries under the Schumann Plan. By 1951 the six European nations, later to form the EEC, signed the Treaty establishing the Coal and Steel Community. The members, by agreement, pooled their coal and steel resources and industries, by sharing a common market, eliminating tariff barriers among themselves, and providing subsidies—as in the case of the Belgian coal mines—to enable a member with weaker industries to compete effectively. The High Authority of the Coal and Steel Community was empowered to set up certain economic policies as law for the member states; it was given authority to fix prices, allocate markets, and restrict planned investments. Price agreements contrary to the intent of the treaty were subjected to punitive fines according to anti-trust provisions. The regulations of the High Authority were



Dr. Ernst Steindorff addresses Law Center Students during Common Market Lectures.

binding on not only the member states but also on the citizens thereof.

The Treaty of Rome in 1958 founded the European Economic Community, with the same six member nations as the Coal and Steel Community.

## Parallels U. S. Government

The federal organization of the EEC is similar to that of the United States in many respects, and as Dr. Steindorff suggested, it would be of great benefit to the ECC to study the U. S. Constitution with particular emphasis on the commerce clause and the regulation of interstate commerce. The member states are sovereign in their own right, and yet subject to the EEC in the field of "inter-state" trade and whatever affects it. The Rome Treaty has its own "supremacy clause," declaring any law of a member state contrary to the Treaty null and void. Preemption of federal over state law and the doctrine of implied constitutional powers, as well as that of "necessary and proper" powers, have their counterparts under the Treaty. Citing one example, Professor Steindorff mentioned Section 85 of the Treaty, which resembles our Sherman Anti-trust Act, and the following section declaring null and void any law contra.

Dr. Steindorff went into great detail explaining the role of the various governmental institutions of the ECC. The Commission of the Common Market is the nine member executive body having powers similar to the Federal Trade Commission. The Council of Ministers is composed of six members, generally the Economic Ministers of the member states. The Court of Justice, having seven justices elected for six-year terms, is the judicial arm shared in common by all three European Communities. The legislative branch is called the General Assembly or Parliament; its delegates are elected by the national assemblies of the member nations. Representation in the General Assembly is determined by the size and population of the members, and some day, as provided for by the treaty, the legislators will be directly elected.

Laws and regulations are enacted in the following manner: the Com-

missioners must resign.

The EEC, as the distinguished lecturer explained, has eliminated trade barriers and tariffs between the member states, permitting the free flow of goods, raw materials and even labor to the mutual benefit of the signatories. The only present tariff wall is the common barrier which surrounds the Common Market as a unit, providing the Community's only source of income. As yet none of the three European Communities has been given the power to tax.

## Legal Limits of the EEC

Although the Treaty of Rome stipulates that the EEC is a legal entity, it is recognized as such, and given diplomatic immunity, only within the Community itself by the members thereof. Neither the United States nor Great Britain grants the EEC or its ambassadors immunity, though both states recognize the Commission and send envoys to Brussels, the home of the Common Market.

Prior to 1960, those African states which were part of the Union Française, or were still colonies, shared in the benefits of the EEC through the membership of their more powerful parent nations. However, after 1960, most of these states found themselves independent and as such no longer able to participate in the Common Market. Desirous of continuing their association with the Community, the recently emancipated African states signed a treaty of "association" with the EEC and the member states, whereby "free trade areas" were created to include them. This status of "association" with the Common Market means they may trade freely within it, but are denied the benefit members have of a free exchange of labor.

The last lecture of the series was conducted as a question and answer period. Dr. Steindorff answered the inevitable question: "Should the United States join the Common Market?" First, as the Treaty of Rome now stands, it explicitly provides for membership of only European nations. Secondly, it is not the intention of the present members to include the United States, since they may some day unite politically as well as commercially to



Robert Maynard, Ohio, '62 and Shelley Bowers, Mo., '62 recently selected as Prettyman Fellows at Georgetown Law Center, 1962-63.

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