

SPEECH BEFORE THE CONFERENCE ON THE LEGAL PROBLEMS OF THE  
EUROPEAN ECONOMIC COMMUNITY AND THE EUROPEAN FREE TRADE ASSOCIATION

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The Department of the Common Market Commission for which I am responsible is known as the "Directorate-General for Competition". Many of our American visitors refer to it as the Commission's "anti-trust" department, and some of my British friends have called it the "Monopolies and restrictive practices" department. But for myself, I prefer the word "Competition". In this, I am not just following the peculiar euphemism which leads some legislative bodies, for example, to call a particularly repressive piece of legislation "The Liberty of the Subject (Regulation) Act", or to label press censorship "The Freedom of Speech (Authorization) Bill". Nor do I wish simply to enlarge the scope of my own work and that of my staff. The reason, in fact, for the somewhat peculiar title is to be found on the one hand in the Rome Treaty and in the clear intentions of those by whom it was drafted and signed, and on the other hand in the fact that the Executive Commission of the Common Market has charged me not only to deal with anti-trust problems, but also with the harmonisation of legislation, with fiscal problems, with dumping within the Common Market and with State subsidies. Quite a philosophy lies behind this decision.

The European Economic Community - and perhaps you have heard this more than once already ! - is not simply an attempt at free trade within a customs union. Rather, it takes the classical aim of free trade and seeks to fulfill it as completely as possible. I am sure that I do not need to remind so distinguished an audience that the aim in question is in the first place that of greater productivity, achieved by a greater degree of international specialization and division of labour, spurred in turn by greater competition. At the same time competition should see

to it, that the consumer also gets his share of the benefits of the increased productivity, in the form of lower prices. Competition, in other words, is one of the concepts that lie at the heart of the Rome Treaty; and the means chosen to reach it are the approximation of the national markets of the member countries as nearly as possible to the conditions of one single "home market", such as exists, for instance, in the United Kingdom, or - on a larger scale - in the United States. Within this large "home market", or common market, there must not only be free trade; there must be also the other attributes of a "home market" - that is, free movement of labour, free movement of capital, free movement of services. What is more, not only the classical obstacles to such freedom must be removed. It is not enough simply to remove customs barriers and quota restrictions. In the modern world, many other forms of barrier can divide a market: state subsidies of various kinds; public and private monopolies; price regulations; fiscal measures; and ententes and agreements, which may have as their main object the division, the carving-up, of the large "home-market". Seen only from the point of view of achieving and maintaining such a "common market", therefore, competition is essential. And I need not remind you that there are other reasons too for insisting on competition as an essential dynamic element in a free and productive economy. There are other basic concepts in the treaty, like common responsibility and solidarity. Foreign trade policy, the coordination of general economic and monetary policies of member countries, social policy, policy for underdeveloped regions and, to a certain extent, agricultural policy and transport policy are based on those other basic concepts; but those topics I shall not treat.

I may already seem to have wandered a little from my brief, to have been betrayed into an irrelevant statement of principle. But I hope that you will bear with me. For, in my view, it is only by bearing in mind the essential principle of the Rome Treaty, which is the principle of competition, that we can find our way in what is a very complicated story.

Mr. Chairman, a wellknown Dutch economist once claimed that he could summarise in 16 pages all the essentials of political economy. And he did. Unfortunately, before anyone could understand those 16 pages, he had to write a further 200 pages of explanation. So you know what to expect if I now say that I think most of the substantive provisions of the Rome Treaty containing strict rules can be summed up in four principles. To be more explicit, there are about 130 provisions of the Rome Treaty which have the character of substantive law. About 70 of them deal with the other topics I spoke of. Often, their obligations, although very important from the political point of view, are less specifically binding from the legal point of view. But in addition to these, there are about 60 articles which are more specifically binding. It is of these that I wish to speak. Their essential basis, I think, can be reduced to the following four principles :

First, existing restrictions on competition between Member States are being gradually eliminated.

Secondly, measures taken by Member States or by industry whereby the industry of one Member State is artificially favoured or hindered in competition with that of another Member State (discrimination and other distortions of competition, as we may call them) are being gradually eliminated or brought into line.

Thirdly, new restrictions on competition or distortions of competition are forbidden.

Fourthly, these first three principles apply irrespective of the legal form assumed by the measures to which the refer.

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First, then, a word about existing restrictions on competition. In some respects, the Treaty's words on this subject are comparatively clear-cut. This is partly because, at the moment, the most important obstacles to competition are customs duties. Article 13 of the Treaty lays down that customs duties on imports and taxes having equivalent effect shall be

abolished in stages which are specified in the following articles. Article 16 contains similar provision for customs duties and taxes on exports. Quantitative restrictions on imports, and measures of equivalent effect, fall under Article 30; similar restrictions on exports fall under Article 34. Article 59 provides for the freeing of services, Article 67 for the freeing of capital, Article 52 and succeeding articles for the freeing of the right of establishment of nationals of other Member states. Such are the classical and obvious public barriers which, I may add, are the particular concern of one of my French colleagues and friends on the staff of the commission. But other public barriers to be reckoned with - if not necessarily in each case to be abolished - include frontier control on imported goods based on national regulations for the quality, composition, or format of the product, national protection based on patent law, copyright law, fiscal measures, etc.

At the present stage of the Common Market, when import duties have so far been cut by only 20 per cent, these public obstacles are still the most important barriers to inter-State competition. Private barriers, for example international market-sharing agreements, still play a fairly modest role by comparison with that they occupy within any particular Member State. Legally speaking, purely local, regional, or national ententes of this kind are not affected by the Treaty of Rome unless they threaten to restrict trade between Member States. In practice, however, it seems likely that the operation of the Common Market - or of what has been called "the normative force of facts" - will increasingly affect such regional ententes as the national trade barriers fall. As competition from other Member States increases, a national or regional cartel will find it harder and harder to operate against its competitors from other Community countries, and one would expect it either to dissolve (as its members secure their individual interests by price cutting or invading their partners' markets) or to seek a modus vivendi with enterprises in other Community countries. Already, in fact, some attempts are being made to counter the falling of national

trade barriers by the erection of international cartels. But here the Treaty of Rome is operative: and the Commission of the Common Market is keeping a close watch on the development of any such price-fixing or market-sharing arrangements. In such matters, prevention is better than cure.

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So much, for the moment, for restrictions on competition. Secondly, what about discrimination and distortions of competition? Am I right in thinking I detect among the distinguished lawyers present here today a faint shiver of anticipated controversy as I say those words "distortion of competition"? This is a notion more replete with legal difficulty than the notion "discrimination"; and, in fact, our approach to it in practice will be highly empirical. Clearly, there would be no point in removing trade barriers if competitive conditions were precisely equal in all respects throughout the Community. There would not, in those circumstances, be even any point in trade within the area. It would merely be a case of bringing coals to Newcastle - coals of exactly the same quality, exactly the same price, exactly the same dimensions. Some people may feel that this is a situation already achieved in the cigarette industry... For this reason, elimination of "distortion" must not be held to mean the elimination of all disparities in competitive conditions: allowance must be made for a degree of difference in geographical situation, human capacities, levels of technical progress and productivity, and so on. Where, then, is the line to be drawn? I think that we may have guidance in Article 92, which deals with a specific type of governmental action favouring national industry and which expressly distinguishes between unequal conditions of competition in certain branches of the economy or certain enterprises, and those which affect industry as a whole. The former are to be eliminated or approximated. The latter - and they might well include the general level of fiscal and social charges - need not, in as far as exchange rates compensate for them. This distinction would seem to

accord with the general tenor of the Treaty and its caution on such nearly political matters. Since present exchange rates may be considered a fairly faithful reflection of general cost and price levels as between the Community countries, the pre-condition (that exchange rates should be realistic) is more important as the illustration of a principle than as a practical issue at the moment.

Leaving aside for the moment the distinction between "disparity" and "distortion", or between "natural" and "artificial" differences in competitive conditions, let me turn from the borderline (which will perhaps be demarcated by future verdicts in the Court of Justice) to some of the examples of "discrimination" and "distortion" on which the Treaty itself is fairly specific. Let me first speak about forbidden forms of discrimination. The legal concept of discrimination in the Treaty of Rome is different from the notion of distortion. Whereas the notion of distortion deals with disparities of legislation or other measures as between different Member States, the notion of discrimination deals with unequal conditions of competition, existing in one Member state.

One of the most important provisions, in this respect, is the prohibition, in Article 7 of the Treaty, of "any discrimination on the grounds of nationality" - a general prohibition which is specifically applied to matters of taxation and right of establishment, for instance, by later Articles of the Treaty. Articles 52 and 59 and those that follow them provide that equal legal conditions in all relevant respects shall be applied to nationals of all six countries in any one of the six countries. Whereas these articles provide for rules of implementation, Article 7 only provides for the possibility of implementing regulations - which would seem to imply that this article already has the force of law itself. Article 85 forbids discriminatory agreements and concerted actions which affect international trade, but only when they indeed result in competitive disadvantage for one of the parties concerned: an example might be an export

entente enforcing double pricing - one price at home, another in a fellow Member State. Article 86 - forbidding misuse of a dominant market position, in so far as it affects trade between Member States - may also be taken to cover discriminatory prices and conditions of delivery. Art. 91 provides for anti-dumping measures : a specific form of price-discrimination even without a market-dominating position or a cartel-agreement.

The first example of real "distortion", on the other hand, seems to be Article 92, which generally forbids State aids that "distort" competition and effect trade between Member States. Articles 100 and 101 provide for the harmonisation of national legislation, the former in all cases where it directly affects the common market, the latter only if it distorts competition. Work in both fields has already begun: on the protection of industrial property (patents, trade marks, and models); on foodstuffs and other legislation where there are disparities as regards the quality or the composition of products; on the regulations for markets where public agencies act as buyers; on turnover taxes; and on the enforcement in all Member States of decisions reached by a court in any Member State. Only when disparities of legislation especially affect the production-costs of specific industries, can one speak of "distortion" in the sense in which it is used in the Spaak-Report. It is too early to say, whether the Court of Justice will accept an interpretation of this notion, that goes further than this.

It is easy to see however, that particular cases will greatly affect the concept of "distortion". Some interesting examples can already be quoted. In one case, favorable fiscal treatment for depreciation of capital goods was not deemed to be in itself an aid resulting in distortion, because it was of general application to the whole economy. But it was considered to constitute an indirect aid, distorting competition,

for the capital goods industry of the country which applied it, since it was applicable only for capital goods which had been ordered from that industry, giving the industry competitive advantage over its competitors in other Member States. A second example is the question of legal protection for industrial property. This we believe should be harmonised throughout the Community - not only because limitation of patents etc. to a national market would restrict competition between States, but also because the degree even of national protection afforded by national legislation differs widely from country to country, so that industries are working in very different or "distorted" competitive conditions. In the case of foodstuffs, differences in legislation again not only limit competition between States, but also distort it in so far as they submit the national foodstuffs industries to unequal obligations, which in turn affect their costs. Finally, while different rates of indirect taxation may be balanced by drawbacks and compensatory taxes, the Common Market Commission considers that turnover taxes should be harmonized, for three separate sets of reasons. First, the existing systems do not permit of any correct calculation of drawback and compensatory taxes, and the methods of calculation differ from country to country. Both of these facts might lead to "distortion". Secondly, the majority of these systems (the multistage cascade systems) tend to favour vertically concentrated industries and hence result in discrimination between integrated and not-integrated enterprises. Thirdly, the systems of drawback and compensatory taxes make necessary the maintenance of taxation frontiers and hence considerable formalities for trade across State borders within the Community. Because of the especially disturbing effect of changes in the level of compensating taxes and drawbacks on the trade between member countries, the Council of Ministers this summer accepted the principle that the Commission and other Member States should be consulted before any such changes are made.

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If the problem of "distortion" is thus somewhat complex, the third and fourth principles I mentioned earlier are relatively simple. The ban on new restrictions and distortions of competition is clearly stated in a number of Articles of the Rome Treaty. (Article 12 prohibits new custom duties on imports or exports, as well as the increase of such duties; Article 31 prohibits new quantitative restrictions. Article 53 forbids new restrictions on the right of establishment; Article 62, new restrictions on the supply of services. Article 71, on capital movements, is naturally more cautious: but it pledges Member States to endeavour to avoid increasing restrictions. Article 93 obliges Member States to notify the Commission of any project to modify States aids or introduce new ones: if the Commission considers such a plan incompatible with the Common Market, it must at once initiate formal examination, the effect of which is to suspend the implementation of the proposed measures. A similar more general provision in Article 102, covers legislation or any administrative measure; while Articles 85 and 86, concerned with private restrictions and distortions, also cover future instances as well as existing cases).

The last of the four principles I mentioned was to the effect that restrictions and distortions of competition are forbidden whatever their legal form. This is also fairly clear<sup>in</sup> itself, and indeed is hinted at in several of the Articles of the Treaty which refer to "measures of equivalent effect". Moreover, there is a well-known legal maxim that when applying a legal rule to a situation defined in that rule, one must not allow oneself to be led astray by legal constructions of the situation resting on a subordinate body of law. This maxim is of considerable importance, I think, in such fields as criminal law and fiscal law, where one does not let oneself be confused by concepts of civil law on the underlying facts unless the law refers to them: the relevant rules are generally applied to the facts of the case, without reference to such concepts. This same principle was in fact enunciated for international law in relation to national law as far back as 1926, when the

Permanent Court of Justice dealt with the case of German assets in Polish Upper Silesia.

If, therefore, my first three principles had really been written into three provisions of the Rome Treaty, the fourth principle would be superfluous, since it would already follow from the general principles for the interpretation of international law. But in fact my three principles are scattered throughout the Treaty in more than sixty different Articles; and it is not always easy to decide which specific provision should be invoked in a specific case. Which one is invoked may be of considerable importance, owing to the varying rules in each Article regarding competence, procedures, time-limits, etc. However, it is clear from the Treaty that action must be taken not only against one or several forms of restriction or distortion of competition, but against all, and against all with equal vigour. In practice, the fourth principle may prove therefore to be very important, since it may well lead to the conclusion that almost any restriction or distortion of competition may give a lawyer and his client some grounds for action. In parenthesis, I might perhaps remind you that this applies not only to enterprises of Common Market origin, but also to any others that have established branches within the territory of the Community. The fourth principle is also important from the general point of view of policy-making, because it calls for a high degree of coordination in the activities of the Community. Acceleration in the establishment of the Common Market, for instance, should not be and will not be restricted to the more rapid elimination<sup>of</sup> certain legal forms of restriction or distortion of competition, but should and will as far as possible cover all fields. Thus, for instance, the Commission will submit to the Council of Ministers before the first of November a first set of very important rules for the implementation of the Treaty's rules on restrictive practices.

I have spoken for some time about principles: it is perhaps the moment now to say something about practice. First, what is happening

within the area of the Common Market itself, and secondly, what is the Commission actually doing in the field of competition policy ?

On the first point, I need not detain you very long. You are no doubt as familiar as I am with the extraordinary spurt in business activity which has taken place already within the Common Market. It would be gratifying for us, as European bureaucrats, to be able to take the credit for some of this stimulus: but in fact I am convinced that much of the reason is psychological. In 1959, as you know, the value of trade between the six countries, as compared with the corresponding periods of 1958, rose by 16% in the second quarter, 22% in the third, and 29% in the fourth quarter. For the whole year the average increase was 19% over 1958 and 15% over 1957. During the first six months of this year, the same development continued. In money terms, the total value of trade within the Community in 1959 was \$ 8,077 millions, compared with \$ 6,787 millions in 1958 and \$ 7,030 millions in 1957. In these figures you can see the effects of economic recovery last year after the slight recession in 1958: you may also, perhaps, attribute a small part of the trade increase to the 10% internal tariff cut and the first quota enlargement which took place on January 1, 1959. But this lowering of the barriers does not in itself explain the whole increase in intra-Community trade: nor, of course, does it directly account for the lesser, but still very significant, increase in imports into the Community from outside. What I think has been happening is that business, to use a somewhat loose expression, has been "putting its money on the Common Market", and anticipating the large home market which will have been established when all the barriers are down. This means that already there has been greater competition within the Common Market, as industries which traditionally supply only - or largely - their national markets have been putting out feelers into those of their Common Market neighbours.

"Putting out feelers".... I should like to stop for a moment at that phrase. In many cases, I am sure, it means only that firms have

decided to compete in neighbouring markets, to set up sales agents, to increase their investments accordingly, perhaps to form mergers. So far so good. But in other cases, it may well be a different story. It may well be that firms decide to join federations, new groupings, special arrangements - perhaps cartels. In fact, very many groupings have occurred since the Common Market's institutions were first set up: so many that it is impossible for me to list them here. Many of them, so far as we can tell at the moment, are legitimate and even desirable - specialisation agreements, for example, whose effect might be <sup>to</sup> enable a firm in one country to compete more effectively on a neighbouring market, while at the same time encouraging just that reorganisation of industrial structure which is one of the aims of the Common Market. But not all agreements are so harmless or so beneficial. What, therefore, is the Common Market Commission doing about them, as well as about the other barriers to competition and distortions of competition which I mentioned earlier ?

First let me say, in parenthesis, that the Commission has few dirigiste weapons at its disposal for any general regulation of the market. Agriculture is to some degree an exception to this statement, as is transport policy, and to a lesser degree social policy. But in general, the Commission's powers are of the indirect kind - monetary policy, cyclical policy, and so on; and its role, as is perhaps proper in a basically free-enterprise economy, is to hold the ring rather than to fight in the arena. If this seems a somewhat Adam Smithian economic philosophy, I should perhaps add that the Commission's competition policy is in some degree an attempt to supply the famous "hidden hand" which earlier philosophers confided to a benevolent Deity.

This being so, the Commission's first task in the anti-trust field was to elucidate, as I tried to do earlier, the somewhat complicated rules laid down in the Treaty. The most controversial problem

here, as you may remember, was to know whether or not Articles 85 and 86 already had the force of applicable law. After some discussion, national experts came to agree with the Commission that this was in fact the case. A further problem arising from this was to know whether, this being the case, existing agreements falling under the ban of Article 85 were automatically null and void, or whether a further court verdict, or the decision of an administrative authority was necessary in each particular case, laying down that the agreement in question actually meets the criteria of Article 85. Both views have in fact been defended: the Commission has not pronounced on the subject. For myself, despite the fascination of the problem, I feel that it is of only secondary importance in actual practice - largely because practical experience in the field of anti-trust-policy makes it clear, that generally speaking restrictive practices only actually cease after an official decision against them, even if they were already in principle null and void.

A third problem of interpretation concerns the practical content of Articles 85 and 86, partly owing to different conditions of competition as between Member States, partly owing to their differing legal traditions, and partly because of the difficulty of deciding the precise meaning of "adverse effects on trade between Member Countries", which is the basic criterion for inadmissibility of the arrangements in question. These problems, I think, will only be solved comparatively slowly and largely by the gradual development of practical jurisprudence. Here, for once, continental legal practice may have something to learn from the English case-law tradition.

A fourth difficulty arises from the fact that when the Treaty came into force only three of its Member States - France, the Federal Republic, and the Netherlands - possessed cartel legislation and administrative authorities to carry it out. The difficulty here was not, of course, the lack of substantive law, since this is found in the Treaty. But in the absence of implementation rules under Article 87,

national legislation has still to provide for competent authorities, rules of procedure, and sanctions other than the sanction of nullity contained in Article 85 (2). To remedy the absence of these essentials, the Commission requested the Governments of Italy, Belgium and Luxembourg to adopt the necessary legislation. Belgium has already done so. In Italy and Luxembourg, Bills are now in preparation. Finally, moreover, as I mentioned already, the Commission itself is preparing to submit to the Council before the beginning of November, its first set of draft regulations under Article 87, which will help to ensure effective and uniform application of Articles 85 and 86 throughout the Member States. The proposals under discussion include that of compulsory registration for some particularly important types of agreement.

The importance of having a uniform regime throughout the Member States indeed deserves special emphasis. Rules of competition, however well-conceived, which differed from one part of the Community to another would of course be worse than useless - since they would foster that very distortion of competitive conditions which it is one of their objects to eliminate. Therefore, even before any case has come to the Community Court of Justice, and even before the promulgation of implementing regulations under Article 87, the Commission has deemed it essential to maintain close though informal contact with national authorities, to co-ordinate enquiries and the examination of specific cases - without, of course, prejudicing the formal divisions of competence which exist and which will exist between the national authorities and the various organs of the Community itself. In practice, complaints about restrictive practices can be addressed either to the national authorities or to the Commission. Direct reference to the national courts is not in most cases advisable, since administrative enforcement is the normal rule, although <sup>appeal</sup> to a national court

is usually possible, and the Community's Court of Justice is always available as a final Court of Appeal for those cases falling within its jurisdiction. As the national barriers within the Common Market gradually fall, such cases - that is, the international cases - are likely to become more numerous, and purely national cases probably less so.

The Commission has already in fact begun to investigate several of these cases: but - if you will forgive me - I do not propose to go into detail about them here. But I should, I think, add that in the draft rules which we are preparing we may well include regulations to cover cases which cannot be examined under Article 85 (1) or (3) because they have not come to the attention of the competent authority through registration or through a request for authorization.

So far, I have spoken chiefly about the Commission's concern with Articles 85 and 86, covering private cartel arrangements. But the Commission has already begun discussions with Member States on the application of Article 90, concerned with public undertakings; and it is busy also on problems of dumping, state aids, the approximation of laws, and fiscal provisions. Perhaps in conclusion, Mr. Chairman, it may be in order to say a few words about each of these in turn.

Dumping, of course, is another of those economic terms which are the lawyer's paradise and his client's hell. The Commission, I hasten to say, has not attempted an arbitrary definition, but is using as a working basis the definition (based on double pricing) of Article VI in the General Agreement on Tariffs and Trade. Such dumping is to be condemned if it causes or threatens to cause material injury to an industry in the importing country or if it materially retards the development of a domestic industry. In agreement with Government experts, it has been settled that the Commission shall have the power of appreciation and action in

such matters - action whose first form is that of a recommendation to cease and desist, but which may include the authorisation of defensive measures. As a general measure, the Community has instituted a "boomerang" procedure, made possible by Article 91 (2) of the Rome Treaty, which came into force on April 15th this year. Under this system, dumped goods may be re-exported to the dumping country free of duty. In this general field, a number of cases are already under study, although in some instances investigation has led to the withdrawal of the original complaint.

On the question of State aids, much preliminary work has centred on the problems I mentioned at the beginning of my talk - that is, the borderline between specific state aids and general measures which fall into other categories of the Treaty's provisions. This question of interpretation, however, is only the first problem. Equally important, in my view, is that of notification procedure, whereby the Member States declare to the Commission both existing and any projected aids applicable by each country. This is particularly important in the case of projected aids, since the Commission must have time to form a reasoned judgment on their scope and likely effect, in order to assess their compatibility with the Treaty. At the same time, special studies are being made of special cases, of which the most important instance is aids to shipbuilding. And already practical measures have been taken in certain cases. In one case, the Commission suggested modifications to certain Belgian measures for the encouragement of investments, and in another it suggested amendments to a French decree to aid industries which install certain types of equipment goods. I may add that in these instances, the Commission's suggestions were taken into account. In a third case the government concerned decided to abolish the aid altogether.



The approximation of laws is a subject that falls under specific and general provisions of the Rome Treaty, the latter being in particular Articles 101 and 102. In addition, laws may also be approximated by international convention: Article 220 lists several subjects as a matter of priority. For the moment, the Commission is taking action chiefly in some half-dozen separate fields: The first concerns the protection of industrial property, where there will be either a harmonisation of existing municipal law or the establishment of a Community convention on patents, trademarks, etc. - or a combination of the two. Mr. Froschmayer of my department has already given you some details on this subject. A second field in which the Commission has been active is that of public contracts, where it is seeking to eliminate restriction and discrimination in the matter of tenders, a third concerns technical and administrative obstacles to trade, including veterinary regulations, foodstuffs control, pharmaceutical rules; and regulations for industrial health and safety; a fourth covers rules concerning discounts, premia, and surplus stock disposal; a fifth the uniform recognition and execution of judicial decisions and awards in civil and commercial matters; finally come arbitration law and company law. Of these manifold tasks, it seems likely that four at least - those concerning the protection of industrial property, the recognition and execution of judicial decisions, arbitration, and company law - may be accomplished by means of international conventions.

I have left until last the question of fiscal provisions: partly because of its importance, and partly because of its difficulty. As I said earlier in this talk, the problem of turnover taxes is among the most pressing; and here the Council of Ministers has already accepted the Commission's proposal that rebates and compensatory taxes shall not be modified

without prior consultation of the Commission and of the other Member-States, to all of whom reasons will have to be submitted for the proposed change. But in addition, we believe that so long as turnover taxes remain unharmonised, the six Governments will have to co-operate closely if the advantages of the Common Market are not to be endangered. Only after such harmonisation will the full benefits in fact be felt. Joint working groups are at present studying the various means of achieving harmonisation, including a single general tax just before the retail stage, a single tax at the production stage, or an added value tax - in each case with the possibility of slightly varying supplementary taxes at a low level to be decided by each Member State. We are hoping to submit concrete proposals on this subject during 1961. Meanwhile, a close watch is being kept upon other aspects of the fiscal problem, closely bound up with that already mentioned, including countervailing duties and drawbacks, other indirect taxes, and the substitution of fiscal customs duties by excise duties. This last point is of particular importance to the consumer, who may well feel that if such excise duties replace the tariff he already paid, the benefits to him of the Common Market are to some extent being siphoned off before he can enjoy them.

I could go on still further: but it seems to me that I have trespassed long enough upon your patience. Indeed, it is perhaps fitting that I should close this introductory speech by coming back once more to the consumer and what he expects of the Common Market. It is he, in fact, who stands to benefit most obviously from our competition policy: but he does not stand to benefit alone. Firms, Governments, workers - all alike need the guarantees and benefits of a clear-cut and uniform policy. And when I look back at all the juridical knots that I have indicated this morning, I think you will agree that the process of unravelling them in practice will provide benefits for the Community's lawyers too and perhaps even for a number of lawyers outside the Common Market.