

TREATY

establishing

THE EUROPEAN ECONOMIC
COMMUNITY

I/E

T R E A T Y

I/E

HIS MAJESTY THE KING OF THE BELGIANS, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF THE ITALIAN REPUBLIC, HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS,

DETERMINED to lay the foundations of an ever closer union among the peoples of Europe,

RESOLVED to ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe,

AFFIRMING as the essential objective of their efforts the constant improvement of the living and working conditions of their peoples,

RECOGNISING that the removal of existing obstacles calls for concerted action in order to guarantee steady expansion, balanced trade and fair competition,

ANXIOUS to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions,

DESIRING to contribute, by means of a common commercial policy, to the progressive abolition of restrictions on international trade,

INTENDING to confirm the solidarity which binds Europe and the overseas countries and desiring to ensure the development of their prosperity, in accordance with the principles of the Charter of the United Nations,

RESOLVED by thus pooling their resources to preserve and strengthen peace and liberty, and calling upon the other peoples of Europe who share their ideal to join in their efforts,

HAVE DECIDED to create a European Economic Community and to this end have designated as their Plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS:

Mr. Paul-Henri SPAAK, Minister for Foreign Affairs,
Baron J. Ch. SNOY et d'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Dr. Konrad ADENAUER, Federal Chancellor,
Professor Dr. Walter HALLSTEIN, State Secretary of the Federal Foreign Office;

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Christian PINEAU, Minister for Foreign Affairs,
Mr. Maurice FAURE, Under-Secretary of State for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. Antonio SEGNI, President of the Council of Ministers,
Professor Gaetano MARTINO, Minister for Foreign Affairs;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

Mr. Joseph BECH, President of the Government, Minister for Foreign Affairs,
Mr. Lambert SCHAUS, Ambassador, Head of the Luxembourg Delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. Joseph LUNS, Minister for Foreign Affairs,
Mr. J. LINTHORST HOMAN, Head of the Netherlands Delegation to the Intergovernmental Conference;

WHO, having exchanged their Full Powers, found in good and due form, have agreed as follows:

PART ONE

PRINCIPLES

I/E

ARTICLE 1

By this Treaty, the High Contracting Parties establish among themselves a EUROPEAN ECONOMIC COMMUNITY.

ARTICLE 2

The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it.

ARTICLE 3

For the purposes set out in Article 2, the activities of the Community shall include, as provided in this Treaty and in accordance with the timetable set out therein:

(a) the elimination, as between Member States, of customs duties and of quantitative restrictions on the import and export of goods, and of all other measures having equivalent effect;

(b) the establishment of a common customs tariff and of a common commercial policy towards third countries;

(c) the abolition, as between Member States, of obstacles to freedom of movement for persons, services and capital;

(d) the adoption of a common policy in the sphere of agriculture;

(e) the adoption of a common policy in the sphere of transport;

(f) the institution of a system ensuring that competition in the common market is not distorted;

(g) the application of procedures by which the economic policies of Member States can be coordinated and disequilibria in their balances of payments remedied;

(h) the approximation of the laws of Member States to the extent required for the proper functioning of the common market;

(i) the creation of a European Social Fund in order to improve employment opportunities for workers and to contribute to the raising of their standard of living;

(j) the establishment of a European Investment Bank to facilitate the economic expansion of the Community by opening up fresh resources;

(k) the association of the overseas countries and territories in order to increase trade and to promote jointly economic and social development.

ARTICLE 4

1. The tasks entrusted to the Community shall be carried out by the following institutions:

an ASSEMBLY,
a COUNCIL,
a COMMISSION,
a COURT OF JUSTICE.

Each institution shall act within the limits of the powers conferred upon it by this Treaty.

2. The Council and the Commission shall be assisted by an Economic and Social Committee acting in an advisory capacity.

ARTICLE 5

Member States shall take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising out of this Treaty or resulting from action taken by the institutions of the Community. They shall facilitate the achievement of the Community's tasks.

They shall abstain from any measure which could jeopardise the attainment of the objectives of this Treaty.

ARTICLE 6

1. Member States shall, in close cooperation with the institutions of the Community, coordinate their respective economic policies to the extent necessary to attain the objectives of this Treaty.
2. The institutions of the Community shall take care not to prejudice the internal and external financial stability of the Member States.

ARTICLE 7

Within the scope of application of this Treaty, and without prejudice to any special provisions contained therein, any discrimination on grounds of nationality shall be prohibited.

The Council may, on a proposal from the Commission and after consulting the Assembly, adopt, by a qualified majority, rules designed to prohibit such discrimination.

ARTICLE 8

1. The common market shall be progressively established during a transitional period of twelve years.

This transitional period shall be divided into three stages of four years each; the length of each stage may be altered in accordance with the provisions set out below.

2. To each stage there shall be assigned a set of actions to be initiated and carried through concurrently.

3. Transition from the first to the second stage shall be conditional upon a finding that the objectives specifically laid down in this Treaty for the first stage have in fact been attained in substance and that, subject to the exceptions and procedures provided for in this Treaty, the obligations have been fulfilled.

This finding shall be made at the end of the fourth year by the Council, acting unanimously on a report from the Commission. A Member State may not, however, prevent unanimity by relying upon the non-fulfilment on its own obligations. Failing unanimity, the first stage shall automatically be extended for one year.

At the end of the fifth year, the Council shall make its finding under the same conditions. Failing unanimity, the first stage shall automatically be extended for a further year.

At the end of the sixth year, the Council shall make its finding, acting by a qualified majority on a report from the Commission.

4. Within one month of the last-mentioned vote any Member State which voted with the minority or, if the required majority was not obtained, any Member State shall be entitled to call upon the Council to appoint an arbitration board whose decision shall be binding upon all Member States and upon the institutions of the Community. The arbitration board shall consist of three members appointed by the Council acting unanimously on a proposal from the Commission.

If the Council has not appointed the members of the arbitration board within one month of being called upon to do so, they shall be appointed by the Court of Justice within a further period of one month.

The arbitration board shall elect its own Chairman.

The board shall make its award within six months of the date of the Council vote referred to in the last subparagraph of paragraph 3.

5. The second and third stages may not be extended or curtailed except by a decision of the Council, acting unanimously on a proposal from the Commission.

6. Nothing in the preceding paragraphs shall cause the transitional period to last more than fifteen years after the entry into force of this Treaty.

7. Save for the exceptions or derogations provided for in this Treaty, the expiry of the transitional period shall constitute the latest date by which all the rules laid down must enter into force and all the measures required for establishing the common market must be implemented.

PART TWO

FOUNDATIONS OF THE COMMUNITY

I/E

TITLE I

Free movement of goods

I/E

ARTICLE 9

1. The Community shall be based upon a customs union which shall cover all trade in goods and which shall involve the prohibition between Member States of customs duties on imports and exports and of all charges having equivalent effect, and the adoption of a common customs tariff in their relations with third countries.
2. The provisions of Chapter 1, Section 1, and of Chapter 2 of this Title shall apply to products originating in Member States and to products coming from third countries which are in free circulation in Member States.

ARTICLE 10

1. Products coming from a third country shall be considered to be in free circulation in a Member State if the import formalities have been complied with and any customs duties or charges having equivalent effect which are payable have been levied in that Member State, and if they have not benefited from a total or partial drawback of such duties or charges.
2. The Commission shall, before the end of the first year after the entry into force of this Treaty, determine the methods of administrative cooperation to be adopted for the purpose of applying Article 9 (2), taking into account the need to reduce as much as possible formalities imposed on trade.

Before the end of the first year after the entry into force of this Treaty, the Commission shall lay down the provisions applicable, as regards trade between Member States, to goods originating in another Member State in whose manufacture products have been used on which the exporting Member State has not levied the appropriate customs duties or charges having equivalent effect, or which have benefited from a total or partial drawback of such duties or charges.

In adopting these provisions, the Commission shall take into account the rules for the elimination of customs duties within the Community and for the progressive application of the common customs tariff.

ARTICLE 11

Member States shall take all appropriate measures to enable Governments to carry out, within the periods of time laid down, the obligations with regard to customs duties which devolve upon them pursuant to this Treaty.

Chapter 1

THE CUSTOMS UNION

Section 1

Elimination of customs duties between Member States

ARTICLE 12

Member States shall refrain from introducing between themselves any new customs duties on imports or exports or any charges having equivalent effect, and from increasing those which they already apply in their trade with each other.

ARTICLE 13

1. Customs duties on imports in force between Member States shall be progressively abolished by them during the transitional period in accordance with Articles 14 and 15.
2. Charges having an effect equivalent to customs duties on imports, in force between Member States, shall be progressively abolished by them during the transitional period. The Commission shall determine by means of directives the timetable for such abolition. It shall be guided by the rules contained in Article 14 (2) and (3) and by the directives issued by the Council pursuant to Article 14 (2).

ARTICLE 14

1. For each product, the basic duty to which the successive reductions shall be applied shall be the duty applied on 1 January 1957.

2. The timetable for the reductions shall be determined as follows:

(a) during the first stage, the first reduction shall be made one year after the date when this Treaty enters into force; the second reduction, eighteen months later; the third reduction, at the end of the fourth year after the date when this Treaty enters into force;

(b) during the second stage, a reduction shall be made eighteen months after that stage begins; a second reduction, eighteen months after the preceding one; a third reduction, one year later;

(c) any remaining reductions shall be made during the third stage; the Council shall, acting by a qualified majority on a proposal from the Commission, determine the timetable therefor by means of directives.

3. At the time of the first reduction, Member States shall introduce between themselves a duty on each product equal to the basic duty minus 10%.

At the time of each subsequent reduction, each Member State shall reduce its customs duties as a whole in such manner as to lower by 10% its total customs receipts as defined in paragraph 4 and to reduce the duty on each product by at least 5% of the basic duty.

In the case, however, of products on which the duty is still in excess of 30%, each reduction must be at least 10% of the basic duty.

4. The total customs receipts of each Member State, as referred to in paragraph 3, shall be calculated by multiplying the value of its imports from other Member States during 1956 by the basic duties.

5. Any special problems raised in applying paragraphs 1 to 4 shall be settled by directives issued by the Council acting by a qualified majority on a proposal from the Commission.

6. Member States shall report to the Commission on the manner in which effect has been given to the preceding rules for the reduction of duties. They shall endeavour to ensure that the reduction made in the duties on each product shall amount:

- at the end of the first stage, to at least 25% of the basic duty;
- at the end of the second stage, to at least 50% of the basic duty.

If the Commission finds that there is a risk that the objectives laid down in Article 13, and the percentages laid down in this paragraph, cannot be attained, it shall make all appropriate recommendations to Member States.

7. The provisions of this Article may be amended by the Council, acting unanimously on a proposal from the Commission and after consulting the Assembly.

ARTICLE 15

1. Irrespective of the provisions of Article 14, any Member State may, in the course of the transitional period, suspend in whole or in part the collection of duties applied by it to products imported from other Member States. It shall inform the other Member States and the Commission thereof.

2. The Member States declare their readiness to reduce customs duties against the other Member States more rapidly than is provided for in Article 14 if their general economic situation and the situation of the economic sector concerned so permit.

To this end, the Commission shall make recommendations to the Member States concerned.

ARTICLE 16

Member States shall abolish between themselves customs duties on exports and charges having equivalent effect by the end of the first stage at the latest.

ARTICLE 17

1. The provisions of Articles 9 to 15 (1) shall also apply to customs duties of a fiscal nature. Such duties shall not, however, be taken into consideration for the purpose of calculating either total customs receipts or the reduction of customs duties as a whole as referred to in Article 14 (3) and (4).

Such duties shall, at each reduction, be lowered by not less than 10% of the basic duty. Member States may reduce such duties more rapidly than is provided for in Article 14.

2. Member States shall, before the end of the first year after the entry into force of this Treaty, inform the Commission of their customs duties of a fiscal nature.

3. Member States shall retain the right to substitute for these duties an internal tax which complies with the provisions of Article 95.

4. If the Commission finds that substitution for any customs duty of a fiscal nature meets with serious difficulties in a Member State, it shall authorise that State to retain the duty on condition that it shall abolish it not later than six years after the entry into force of this Treaty. Such authorisation must be applied for before the end of the first year after the entry into force of this Treaty.

Section 2

Setting up of the common customs tariff

ARTICLE 18

The Member States declare their readiness to contribute to the development of international trade and the lowering of barriers to trade by entering into agreements designed, on a basis of reciprocity and mutual advantage, to reduce customs duties below the general level of which they could avail themselves as a result of the establishment of a customs union between them.

ARTICLE 19

1. Subject to the conditions and within the limits provided for hereinafter, duties in the common customs tariff shall be at the level of the arithmetical average of the duties applied in the four customs territories comprised in the Community.

2. The duties taken as the basis for calculating this average shall be those applied by Member States on 1 January 1957.

In the case of the Italian tariff, however, the duty applied shall be that without the temporary 10% reduction. Furthermore, with respect to items on which the Italian tariff contains a conventional duty, this duty shall be substituted for the duty applied as defined above, provided that it does not exceed the latter by more than 10%. Where the conventional duty exceeds the duty applied as defined above by more than 10%, the latter duty plus 10% shall be taken as the basis for calculating the arithmetical average.

With regard to the tariff headings in List A, the duties shown in that List shall, for the purpose of calculating the arithmetical average, be substituted for the duties applied.

3. The duties in the common customs tariff shall not exceed:
 - (a) 3% for products within the tariff headings in List B;
 - (b) 10% for products within the tariff headings in List C;
 - (c) 15% for products within the tariff headings in List D;
 - (d) 25% for products within the tariff headings in List E; where, in respect of such products, the tariff of the Benelux countries contains a duty not exceeding 3%, such duty shall, for the purpose of calculating the arithmetical average, be raised to 12%.
4. List F prescribes the duties applicable to the products listed therein.
5. The Lists of tariff headings referred to in this Article and in Article 20 are set out in Annex I to this Treaty.

ARTICLE 20

The duties applicable to the products in List G shall be determined by negotiation between the Member States. Each Member State may add further products to this List to a value not exceeding 2% of the total value of its imports from third countries in the course of the year 1956.

The Commission shall take all appropriate steps to ensure that such negotiations shall be undertaken before the end of the second year after the entry into force of this Treaty and be concluded before the end of the first stage.

If, for certain products, no agreement can be reached within these periods, the Council shall, on a proposal from the Commission, acting unanimously until the end of the second stage and by a qualified majority thereafter, determine the duties in the common customs tariff.

ARTICLE 21

1. Technical difficulties which may arise in applying Articles 19 and 20 shall be resolved, within two years of the entry into force of this Treaty, by directives issued by the Council acting by a qualified majority on a proposal from the Commission.

2. Before the end of the first stage, or at latest when the duties are determined, the Council shall, acting by a qualified majority on a proposal from the Commission, decide on any adjustments required in the interests of the internal consistency of the common customs tariff as a result of applying the rules set out in Articles 19 and 20, taking account in particular of the degree of processing undergone by the various goods to which the common tariff applies.

ARTICLE 22

The Commission shall, within two years of the entry into force of this Treaty, determine the extent to which the customs duties of a fiscal nature referred to in Article 17 (2) shall be taken into account in calculating the arithmetical average provided for in Article 19 (1). The Commission shall take account of any protective character which such duties may have.

Within six months of such determination, any Member State may request that the procedure provided for in Article 20 should be applied to the product in question, but in this event the percentage limit provided in that Article shall not be applicable to that State.

ARTICLE 23

1. For the purpose of the progressive introduction of the common customs tariff, Member States shall amend their tariffs applicable to third countries as follows:

(a) in the case of tariff headings on which the duties applied in practice on 1 January 1957 do not differ by more than 15 % in either direction from the duties in the common customs tariff, the latter duties shall be applied at the end of the fourth year after the entry into force of this Treaty;

(b) in any other case, each Member State shall, as from the same date, apply a duty reducing by 30 % the difference between the duty applied in practice on 1 January 1957 and the duty in the common customs tariff;

(c) at the end of the second stage this difference shall again be reduced by 30 %;

(d) in the case of tariff headings for which the duties in the common customs tariff are not yet available at the end of the first stage, each Member State shall, within six months of the Council's action in accordance with Article 20, apply such duties as would result from application of the rules contained in this paragraph.

2. Where a Member State has been granted an authorisation under Article 17 (4), it need not, for as long as that authorisation remains valid, apply the preceding provisions to the tariff headings to which the authorisation applies. When such authorisation expires, the Member State concerned shall apply such duty as would have resulted from application of the rules contained in paragraph 1.

3. The common customs tariff shall be applied in its entirety by the end of the transitional period at the latest.

ARTICLE 24

Member States shall remain free to change their duties more rapidly than is provided for in Article 23 in order to bring them into line with the common customs tariff.

ARTICLE 25

1. If the Commission finds that the production in Member States of particular products contained in Lists B, C and D is insufficient to supply the demands of one of the Member States, and that such supply traditionally depends to a considerable extent on imports from third countries, the Council shall, acting by a qualified majority on a proposal from the Commission, grant the Member State concerned tariff quotas at a reduced rate of duty or duty free.

Such quotas may not exceed the limits beyond which the risk might arise of activities being transferred to the detriment of other Member States.

2. In the case of the products in List E, and of those in List G for which the rates of duty have been determined in accordance with the procedure provided for in the third paragraph of Article 20, the Commission shall, where a change in sources of supply or shortage of supplies within the Community is such as to entail harmful consequences for the processing industries of a Member State, at the request of that Member State, grant it tariff quotas at a reduced rate of duty or duty free.

Such quotas may not exceed the limits beyond which the risk might arise of activities being transferred to the detriment of other Member States.

3. In the case of the products listed in Annex II to this Treaty, the Commission may authorise any Member State to suspend, in whole or in part,

collection of the duties applicable or may grant such Member State tariff quotas at a reduced rate of duty or duty free, provided that no serious disturbance of the market of the products concerned results therefrom.

4. The Commission shall periodically examine tariff quotas granted pursuant to this Article.

ARTICLE 26

The Commission may authorise any Member State encountering special difficulties to postpone the lowering or raising of duties provided for in Article 23 in respect of particular headings in its tariff.

Such authorisation may only be granted for a limited period and in respect of tariff headings which, taken together, represent for such State not more than 5 % of the value of its imports from third countries in the course of the latest year for which statistical data are available.

ARTICLE 27

Before the end of the first stage, Member States shall, in so far as may be necessary, take steps to approximate their provisions laid down by law, regulation or administrative action in respect of customs matters. To this end, the Commission shall make all appropriate recommendations to Member States.

ARTICLE 28

Any autonomous alteration or suspension of duties in the common customs tariff shall be decided unanimously by the Council. After the transitional period has ended, however, the Council may, acting by a qualified majority on a proposal from the Commission, decide on alterations or suspensions which shall not exceed 20 % of the rate in the case of any one duty for a maximum period of six months. Such alterations or suspensions may only be extended, under the same conditions, for one further period of six months.

ARTICLE 29

In carrying out the tasks entrusted to it under this Section the Commission shall be guided by:

- (a) the need to promote trade between Member States and third countries;
- (b) developments in conditions of competition within the Community in so far as they lead to an improvement in the competitive capacity of undertakings;
- (c) the requirements of the Community as regards the supply of raw materials and semi-finished goods; in this connection the Commission shall take care to avoid distorting conditions of competition between Member States in respect of finished goods;
- (d) the need to avoid serious disturbances in the economies of Member States and to ensure rational development of production and an expansion of consumption within the Community.

Chapter 2

ELIMINATION OF QUANTITATIVE RESTRICTIONS
BETWEEN MEMBER STATES

ARTICLE 30

Quantitative restrictions on imports and all measures having equivalent effect shall, without prejudice to the following provisions, be prohibited between Member States.

ARTICLE 31

Member States shall refrain from introducing between themselves any new quantitative restrictions or measures having equivalent effect.

This obligation shall, however, relate only to the degree of liberalisation attained in pursuance of the decisions of the Council of the Organisation for European Economic Cooperation of 14 January 1955. Member States shall supply the Commission, not later than six months after the entry into force of this Treaty, with lists of the products liberalised by them in pursuance of these decisions. These lists shall be consolidated between Member States.

ARTICLE 32

In their trade with one another Member States shall refrain from making more restrictive the quotas and measures having equivalent effect existing at the date of the entry into force of this Treaty.

These quotas shall be abolished by the end of the transitional period at the latest. During that period, they shall be progressively abolished in accordance with the following provisions.

ARTICLE 33

1. One year after the entry into force of this Treaty, each Member State shall convert any bilateral quotas open to any other Member States into global quotas open without discrimination to all other Member States.

On the same date, Member States shall increase the aggregate of the global quotas so established in such a manner as to bring about an increase of not less than 20% in their total value as compared with the preceding year. The global quota for each product, however, shall be increased by not less than 10%.

The quotas shall be increased annually in accordance with the same rules and in the same proportions in relation to the preceding year.

The fourth increase shall take place at the end of the fourth year after the entry into force of this Treaty; the fifth, one year after the beginning of the second stage.

2. Where, in the case of a product which has not been liberalised, the global quota does not amount to 3% of the national production of the State concerned, a quota equal to not less than 3% of such national production shall be introduced not later than one year after the entry into force of this Treaty. This quota shall be raised to 4% at the end of the second year, and to 5% at the end of the third. Thereafter, the Member State concerned shall increase the quota by not less than 15% annually.

Where there is no such national production, the Commission shall take a decision establishing an appropriate quota.

3. At the end of the tenth year, each quota shall be equal to not less than 20% of the national production.

4. If the Commission finds by means of a decision that during two successive years the imports of any product have been below the level of the quota opened, this global quota shall not be taken into account in calculating the total value of the global quotas. In such case, the Member State shall abolish quota restrictions on the product concerned.

5. In the case of quotas representing more than 20% of the national production of the product concerned, the Council may, acting by a qualified majority on a proposal from the Commission, reduce the minimum percentage of 10% laid down in paragraph 1. This alteration shall not, however,

affect the obligation to increase the total value of global quotas by 20 % annually.

6. Member States which have exceeded their obligations as regards the degree of liberalisation attained in pursuance of the decisions of the Council of the Organisation for European Economic Cooperation of 14 January 1955 shall be entitled, when calculating the annual total increase of 20 % provided for in paragraph 1, to take into account the amount of imports liberalised by autonomous action. Such calculation shall be submitted to the Commission for its prior approval.

7. The Commission shall issue directives establishing the procedure and timetable in accordance with which Member States shall abolish, as between themselves, any measures in existence when this Treaty enters into force which have an effect equivalent to quotas.

8. If the Commission finds that the application of the provisions of this Article, and in particular of the provisions concerning percentages, makes it impossible to ensure that the abolition of quotas provided for in the second paragraph of Article 32 is carried out progressively, the Council may, on a proposal from the Commission, acting unanimously during the first stage and by a qualified majority thereafter, amend the procedure laid down in this Article and may, in particular, increase the percentages fixed.

ARTICLE 34

1. Quantitative restrictions on exports, and all measures having equivalent effect, shall be prohibited between Member States.

2. Member States shall, by the end of the first stage at the latest, abolish all quantitative restrictions on exports and any measures having equivalent effect which are in existence when this Treaty enters into force.

ARTICLE 35

The Member States declare their readiness to abolish quantitative restrictions on imports from and exports to other Member States more rapidly than is provided for in the preceding Articles, if their general economic situation and the situation of the economic sector concerned so permit.

To this end, the Commission shall make recommendations to the States concerned.

ARTICLE 36

The provisions of Articles 30 to 34 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States.

ARTICLE 37

1. Member States shall progressively adjust any State monopolies of a commercial character so as to ensure that when the transitional period has ended no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of Member States.

The provisions of this Article shall apply to any body through which a Member State, in law or in fact, either directly or indirectly supervises, determines or appreciably influences imports or exports between Member States. These provisions shall likewise apply to monopolies delegated by the State to others.

2. Member States shall refrain from introducing any new measure which is contrary to the principles laid down in paragraph 1 or which restricts the scope of the Articles dealing with the abolition of customs duties and quantitative restrictions between Member States.

3. The timetable for the measures referred to in paragraph 1 shall be harmonised with the abolition of quantitative restrictions on the same products provided for in Articles 30 to 34.

If a product is subject to a State monopoly of a commercial character in only one or some Member States, the Commission may authorise the other Member States to apply protective measures until the adjustment provided for in para-

graph 1 has been effected; the Commission shall determine the conditions and details of such measures.

4. If a State monopoly of a commercial character has rules which are designed to make it easier to dispose of agricultural products or obtain for them the best return, steps should be taken in applying the rules contained in this Article to ensure equivalent safeguards for the employment and standard of living of the producers concerned, account being taken of the adjustments that will be possible and the specialisation that will be needed with the passage of time.

5. The obligations on Member States shall be binding only in so far as they are compatible with existing international agreements.

6. With effect from the first stage the Commission shall make recommendations as to the manner in which and the timetable according to which the adjustment provided for in this Article shall be carried out.

TITLE II

Agriculture

I/E

ARTICLE 38

1. The common market shall extend to agriculture and trade in agricultural products. "Agricultural products" means the products of the soil, of stock-farming and of fisheries and products of first-stage processing directly related to these products.
2. Save as otherwise provided in Articles 39 to 46, the rules laid down for the establishment of the common market shall apply to agricultural products.
3. The products subject to the provisions of Articles 39 to 46 are listed in Annex II to this Treaty. Within two years of the entry into force of this Treaty, however, the Council shall, acting by a qualified majority on a proposal from the Commission, decide what products are to be added to this list.
4. The operation and development of the common market for agricultural products must be accompanied by the establishment of a common agricultural policy among the Member States.

ARTICLE 39

1. The objectives of the common agricultural policy shall be:

(a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;

(b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;

(c) to stabilise markets;

(d) to assure the availability of supplies;

(e) to ensure that supplies reach consumers at reasonable prices.

2. In working out the common agricultural policy and the special methods for its application, account shall be taken of:

(a) the particular nature of agricultural activity, which results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions;

(b) the need to effect the appropriate adjustments by degrees;

(c) the fact that in the Member States agriculture constitutes a sector closely linked with the economy as a whole.

ARTICLE 40

1. Member States shall develop the common agricultural policy by degrees during the transitional period and shall bring it into force by the end of that period at the latest.

2. In order to attain the objectives set out in Article 39 a common organisation of agricultural markets shall be established.

This organisation shall take one of the following forms, depending on the product concerned:

(a) common rules on competition;

(b) compulsory coordination of the various national market organisations;

(c) a European market organisation.

3. The common organisation established in accordance with paragraph 2 may include all measures required to attain the objectives set out in Article 39, in particular regulation of prices, aids for the production and marketing of the various products, storage and carry-over arrangements and common machinery for stabilising imports or exports.

The common organisation shall be limited to pursuit of the objectives set out in Article 39 and shall exclude any discrimination between producers or consumers within the Community.

Any common price policy shall be based on common criteria and uniform methods of calculation.

4. In order to enable the common organisation referred to in paragraph 2 to attain its objectives, one or more agricultural guidance and guarantee funds may be set up.

ARTICLE 41

To enable the objectives set out in Article 39 to be attained, provision may be made within the framework of the common agricultural policy for measures such as:

(a) an effective coordination of efforts in the spheres of vocational training, of research and of the dissemination of agricultural knowledge; this may include joint financing of projects or institutions;

(b) joint measures to promote consumption of certain products.

ARTICLE 42

The provisions of the Chapter relating to rules on competition shall apply to production of and trade in agricultural products only to the extent determined by the Council within the framework of Article 43 (2) and (3) and in accordance with the procedure laid down therein, account being taken of the objectives set out in Article 39.

The Council may, in particular, authorise the granting of aid:

(a) for the protection of enterprises handicapped by structural or natural conditions;

(b) within the framework of economic development programmes.

ARTICLE 43

1. In order to evolve the broad lines of a common agricultural policy, the Commission shall, immediately this Treaty enters into force, convene a conference of the Member States with a view to making a comparison of their agricultural policies, in particular by producing a statement of their resources and needs.

2. Having taken into account the work of the conference provided for in paragraph 1, after consulting the Economic and Social Committee and within two years of the entry into force of this Treaty, the Commission shall submit proposals for working out and implementing the common agricultural policy, including the replacement of the national organisations by one of the forms of common organisation provided for in Article 40 (2), and for implementing the measures specified in this Title.

These proposals shall take account of the interdependence of the agricultural matters mentioned in this Title.

The Council shall, on a proposal from the Commission and after consulting the Assembly, acting unanimously during the first two stages and by a qualified majority thereafter, make regulations, issue directives, or take decisions, without prejudice to any recommendations it may also make.

3. The Council may, acting by a qualified majority and in accordance with paragraph 2, replace the national market organisations by the common organisation provided for in Article 40 (2) if :

(a) the common organisation offers Member States which are opposed to this measure and which have an organisation of their own for the production in question equivalent safeguards for the employment and standard of living of the producers concerned, account being taken of the adjustments that will be possible and the specialisation that will be needed with the passage of time;

(b) such an organisation ensures conditions for trade within the Community similar to those existing in a national market.

4. If a common organisation for certain raw materials is established before a common organisation exists for the corresponding processed products, such raw materials as are used for processed products intended for export to third countries may be imported from outside the Community.

ARTICLE 44

1. In so far as progressive abolition of customs duties and quantitative restrictions between Member States may result in prices likely to jeopardise the attainment of the objectives set out in Article 39, each Member State shall, during the transitional period, be entitled to apply to particular products, in a non-discriminatory manner and in substitution for quotas and to such an extent as shall not impede the expansion of the volume of trade provided for in Article 45 (2), a system of minimum prices below which imports may be either :

- temporarily suspended or reduced; or
- allowed, but subjected to the condition that they are made at a price higher than the minimum price for the product concerned.

In the latter case the minimum prices shall not include customs duties.

2. Minimum prices shall neither cause a reduction of the trade existing between Member States when this Treaty enters into force nor form an obstacle to progressive expansion of this trade. Minimum prices shall not be applied so as to form an obstacle to the development of a natural preference between Member States.

3. As soon as this Treaty enters into force the Council shall, on a proposal from the Commission, determine objective criteria for the establishment of minimum price systems and for the fixing of such prices.

These criteria shall in particular take account of the average national production costs in the Member State applying the minimum price, of the position of the various undertakings concerned in relation to such average production costs, and of the need to promote both the progressive improvement of agricultural practice and the adjustments and specialisation needed within the common market.

The Commission shall further propose a procedure for revising these criteria in order to allow for and speed up technical progress and to approximate prices progressively within the common market.

These criteria and the procedure for revising them shall be determined by the Council acting unanimously within three years of the entry into force of this Treaty.

4. Until the decision of the Council takes effect, Member States may fix minimum prices on condition that these are communicated beforehand to the Commission and to the other Member States so that they may submit their comments.

Once the Council has taken its decision, Member States shall fix minimum prices on the basis of the criteria determined as above.

The Council may, acting by a qualified majority on a proposal from the Commission, rectify any decisions taken by Member States which do not conform to the criteria defined above.

5. If it does not prove possible to determine the said objective criteria for certain products by the beginning of the third stage, the Council may, acting by a qualified majority on a proposal from the Commission, vary the minimum prices applied to these products.

6. At the end of the transitional period, a table of minimum prices still in force shall be drawn up. The Council shall, acting on a proposal from the Commission and by a majority of nine votes in accordance with the weighting laid down in the first subparagraph of Article 148 (2), determine the system to be applied within the framework of the common agricultural policy.

ARTICLE 45

1. Until national market organisations have been replaced by one of the forms of common organisation referred to in Article 40 (2), trade in products in respect of which certain Member States:

- have arrangements designed to guarantee national producers a market for their products; and

- are in need of imports,

shall be developed by the conclusion of long-term agreements or contracts between importing and exporting Member States.

These agreements or contracts shall be directed towards the progressive abolition of any discrimination in the application of these arrangements to the various producers within the Community.

Such agreements or contracts shall be concluded during the first stage; account shall be taken of the principle of reciprocity.

2. As regards quantities, these agreements or contracts shall be based on the average volume of trade between Member States in the products concerned during the three years before the entry into force of this Treaty and shall provide for an increase in the volume of trade within the limits of existing requirements, account being taken of traditional patterns of trade.

As regards prices, these agreements or contracts shall enable producers to dispose of the agreed quantities at prices which shall be progressively approximated to those paid to national producers on the domestic market of the purchasing country.

This approximation shall proceed as steadily as possible and shall be completed by the end of the transitional period at the latest.

Prices shall be negotiated between the parties concerned within the framework of directives issued by the Commission for the purpose of implementing the two preceding subparagraphs.

If the first stage is extended, these agreements or contracts shall continue to be carried out in accordance with the conditions applicable at the end of the fourth year after the entry into force of this Treaty, the obligation to increase quantities and to approximate prices being suspended until the transition to the second stage.

Member States shall avail themselves of any opportunity open to them under their legislation, particularly in respect of import policy, to ensure

the conclusion and carrying out of these agreements or contracts.

3. To the extent that Member States require raw materials for the manufacture of products to be exported outside the Community in competition with products of third countries, the above agreements or contracts shall not form an obstacle to the importation of raw materials for this purpose from third countries. This provision shall not, however, apply if the Council unanimously decides to make provision for payments required to compensate for the higher price paid on goods imported for this purpose on the basis of these agreements or contracts in relation to the delivered price of the same goods purchased on the world market.

ARTICLE 46

Where in a Member State a product is subject to a national market organisation or to internal rules having equivalent effect which affect the competitive position of similar production in another Member State, a countervailing charge shall be applied by Member States to imports of this product coming from the Member State where such organisation or rules exist, unless that State applies a countervailing charge on export.

The Commission shall fix the amount of these charges at the level required to redress the balance; it may also authorise other measures, the conditions and details of which it shall determine.

ARTICLE 47

As to the functions to be performed by the Economic and Social Committee in pursuance of this Title, its agricultural section shall hold itself at the disposal of the Commission to prepare, in accordance with the provisions of Articles 197 and 198, the deliberations of the Committee.

TITLE III

Free movement of persons,
services and capital

I/E

Chapter I

WORKERS

ARTICLE 48

1. Freedom of movement for workers shall be secured within the Community by the end of the transitional period at the latest.

2. Such freedom of movement shall entail the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment.

3. It shall entail the right, subject to limitations justified on grounds of public policy, public security or public health :

(a) to accept offers of employment actually made;

(b) to move freely within the territory of Member States for this purpose;

(c) to stay in a Member State for the purpose of employment in accordance with the provisions governing the employment of nationals of that State laid down by law, regulation or administrative action;

(d) to remain in the territory of a Member State after having been employed in that State, subject to conditions which shall be embodied in implementing regulations to be drawn up by the Commission.

4. The provisions of this Article shall not apply to employment in the public service.

ARTICLE 49

As soon as this Treaty enters into force, the Council shall, acting on a proposal from the Commission and after consulting the Economic and Social

Committee, issue directives or make regulations setting out the measures required to bring about, by progressive stages, freedom of movement for workers, as defined in Article 48, in particular :

(a) by ensuring close cooperation between national employment services;

(b) by systematically and progressively abolishing those administrative procedures and practices and those qualifying periods in respect of eligibility for available employment, whether resulting from national legislation or from agreements previously concluded between Member States, the maintenance of which would form an obstacle to liberalisation of the movement of workers;

(c) by systematically and progressively abolishing all such qualifying periods and other restrictions provided for either under national legislation or under agreements previously concluded between Member States as imposed on workers of other Member States conditions regarding the free choice of employment other than those imposed on workers of the State concerned;

(d) by setting up appropriate machinery to bring offers of employment into touch with applications for employment and to facilitate the achievement of a balance between supply and demand in the employment market in such a way as to avoid serious threats to the standard of living and level of employment in the various regions and industries.

ARTICLE 50

Member States shall, within the framework of a joint programme, encourage the exchange of young workers.

ARTICLE 51

The Council shall, acting unanimously on a proposal from the Commission, adopt such measures in the field of social security as are necessary to provide freedom of movement for workers; to this end, it shall make arrangements to secure for migrant workers and their dependants:

(a) aggregation, for the purpose of acquiring and retaining the right to benefit and of calculating the amount of benefit, of all periods taken into account under the laws of the several countries;

(b) payment of benefits to persons resident in the territories of Member States.

Chapter 2

RIGHT OF ESTABLISHMENT

ARTICLE 52

Within the framework of the provisions set out below, restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be abolished by progressive stages in the course of the transitional period. Such progressive abolition shall also apply to restrictions on the setting up of agencies, branches or subsidiaries by nationals of any Member State established in the territory of any Member State.

Freedom of establishment shall include the right to take up and pursue activities as self-employed persons and to set up and manage undertakings, in particular companies or firms within the meaning of the second paragraph of Article 58, under the conditions laid down for its own nationals by the law of the country where such establishment is effected, subject to the provisions of the Chapter relating to capital.

ARTICLE 53

Member States shall not introduce any new restrictions on the right of establishment in their territories of nationals of other Member States, save as otherwise provided in this Treaty.

ARTICLE 54

1. Before the end of the first stage, the Council shall, acting unanimously on a proposal from the Commission and after consulting the Economic and Social Committee and the Assembly, draw up a general programme for the abolition of existing restrictions on freedom of establishment within the Community. The

Commission shall submit its proposal to the Council during the first two years of the first stage.

The programme shall set out the general conditions under which freedom of establishment is to be attained in the case of each type of activity and in particular the stages by which it is to be attained.

2. In order to implement this general programme or, in the absence of such programme, in order to achieve a stage in attaining freedom of establishment as regards a particular activity, the Council shall, on a proposal from the Commission and after consulting the Economic and Social Committee and the Assembly, issue directives, acting unanimously until the end of the first stage and by a qualified majority thereafter.

3. The Council and the Commission shall carry out the duties devolving upon them under the preceding provisions, in particular :

(a) by according, as a general rule, priority treatment to activities where freedom of establishment makes a particularly valuable contribution to the development of production and trade;

(b) by ensuring close cooperation between the competent authorities in the Member States in order to ascertain the particular situation within the Community of the various activities concerned;

(c) by abolishing those administrative procedures and practices, whether resulting from national legislation or from agreements previously concluded between Member States, the maintenance of which would form an obstacle to freedom of establishment;

(d) by ensuring that workers of one Member State employed in the territory of another Member State may remain in that territory for the purpose of taking up activities therein as self-employed persons, where they satisfy the conditions which they would be required to satisfy if they were entering that State at the time when they intended to take up such activities;

(e) by enabling a national of one Member State to acquire and use land and buildings situated in the territory of another Member State, in so far as this does not conflict with the principles laid down in Article 39 (2);

(f) by effecting the progressive abolition of restrictions on freedom of establishment in every branch of activity under consideration, both as regards the conditions for setting up agencies, branches of subsidiaries in the territory of a Member State and as regards the conditions governing the entry of personnel belonging to the main establishment into managerial or supervisory posts in such agencies, branches or subsidiaries;

(g) by coordinating to the necessary extent the safeguards which, for the protection of the interests of members and others, are required by Member States of companies or firms within the meaning of the second paragraph of Article 58 with a view to making such safeguards equivalent throughout the Community;

(h) by satisfying themselves that the conditions of establishment are not distorted by aids granted by Member States.

ARTICLE 55

The provisions of this Chapter shall not apply, so far as any given Member State is concerned, to activities which in that State are connected, even occasionally, with the exercise of official authority.

The Council may, acting by a qualified majority on a proposal from the Commission, rule that the provisions of this Chapter shall not apply to certain activities.

ARTICLE 56

1. The provisions of this Chapter and measures taken in pursuance thereof shall not prejudice the applicability of provisions laid down by law, regulation or administrative action providing for special treatment for foreign nationals on grounds of public policy, public security or public health.

2. Before the end of the transitional period, the Council shall, acting unanimously on a proposal from the Commission and after consulting the Assembly, issue directives for the coordination of the aforementioned provisions laid down by law, regulation or administrative action. After the end of the second stage, however, the Council shall, acting by a qualified majority on a proposal from the Commission, issue directives for the coordination of such provisions as, in each Member State, are a matter for regulation or administrative action.

ARTICLE 57

1. In order to make it easier for persons to take up and pursue activities as self-employed persons, the Council shall, on a proposal from the Commission and after consulting the Assembly, acting unanimously during the first stage

and by a qualified majority thereafter, issue directives for the mutual recognition of diplomas, certificates and other evidence of formal qualifications.

2. For the same purpose, the Council shall, before the end of the transitional period, acting on a proposal from the Commission and after consulting the Assembly, issue directives for the coordination of the provisions laid down by law, regulation or administrative action in Member States concerning the taking up and pursuit of activities as self-employed persons. Unanimity shall be required on matters which are the subject of legislation in at least one Member State and measures concerned with the protection of savings, in particular the granting of credit and the exercise of the banking profession, and with the conditions governing the exercise of the medical and allied, and pharmaceutical professions in the various Member States. In other cases, the Council shall act unanimously during the first stage and by a qualified majority thereafter.

3. In the case of the medical and allied, and pharmaceutical professions, the progressive abolition of restrictions shall be dependent upon coordination of the conditions for their exercise in the various Member States.

ARTICLE 58

Companies or firms formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community shall, for the purposes of this Chapter, be treated in the same way as natural persons who are nationals of Member States.

"Companies or firms" means companies or firms constituted under civil or commercial law, including cooperative societies, and other legal persons governed by public or private law, save for those which are non-profit-making.

Chapter 3

SERVICES

ARTICLE 59

Within the framework of the provisions set out below, restrictions on freedom to provide services within the Community shall be progressively abolished during the transitional period in respect of nationals of Member States who are established in a State of the Community other than that of the person for whom the services are intended.

The Council may, acting unanimously on a proposal from the Commission, extend the provisions of this Chapter to nationals of a third country who provide services and who are established within the Community.

ARTICLE 60

Services shall be considered to be "services" within the meaning of this Treaty where they are normally provided for remuneration, in so far as they are not governed by the provisions relating to freedom of movement for goods, capital and persons.

"Services" shall in particular include :

- (a) activities of an industrial character;
- (b) activities of a commercial character;
- (c) activities of craftsmen;
- (d) activities of the professions.

Without prejudice to the provisions of the Chapter relating to the right of establishment, the person providing a service may, in order to do so, temporarily pursue his activity in the State where the service is provided, under the same conditions as are imposed by that State on its own nationals.

ARTICLE 61

1. Freedom to provide services in the field of transport shall be governed by the provisions of the Title relating to transport.
2. The liberalisation of banking and insurance services connected with movements of capital shall be effected in step with the progressive liberalisation of movement of capital.

ARTICLE 62

Save as otherwise provided in this Treaty, Member States shall not introduce any new restrictions on the freedom to provide services which has in fact been attained at the date of the entry into force of this Treaty.

ARTICLE 63

1. Before the end of the first stage, the Council shall, acting unanimously on a proposal from the Commission and after consulting the Economic and Social Committee and the Assembly, draw up a general programme for the abolition of existing restrictions on freedom to provide services within the Community. The Commission shall submit its proposal to the Council during the first two years of the first stage.

The programme shall set out the general conditions under which and the stages by which each type of service is to be liberalised.

2. In order to implement this general programme or, in the absence of such programme, in order to achieve a stage in the liberalisation of a specific service, the Council shall, on a proposal from the Commission and after consulting the Economic and Social Committee and the Assembly, issue directives, acting unanimously until the end of the first stage and by a qualified majority thereafter.
3. As regards the proposals and decisions referred to in paragraphs 1 and 2, priority shall as a general rule be given to those services which directly affect production costs or the liberalisation of which helps to promote trade in goods.

ARTICLE 64

The Member States declare their readiness to undertake the liberalisation of services beyond the extent required by the directives issued pursuant to Article 63 (2), if their general economic situation and the situation of the economic sector concerned so permit.

To this end, the Commission shall make recommendations to the Member States concerned.

ARTICLE 65

As long as restrictions on freedom to provide services have not been abolished, each Member State shall apply such restrictions without distinction on grounds of nationality or residence to all persons providing services within the meaning of the first paragraph of Article 59.

ARTICLE 66

The provisions of Articles 55 to 58 shall apply to the matters covered by this Chapter.

Chapter 4

CAPITAL

ARTICLE 67

1. During the transitional period and to the extent necessary to ensure the proper functioning of the common market, Member States shall progressively abolish between themselves all restrictions on the movement of capital belonging to persons resident in Member States and any discrimination based on the nationality or on the place of residence of the parties or on the place where such capital is invested.
2. Current payments connected with the movement of capital between Member States shall be freed from all restrictions by the end of the first stage at the latest.

ARTICLE 68

1. Member States shall, as regards the matters dealt with in this Chapter, be as liberal as possible in granting such exchange authorisations as are still necessary after the entry into force of this Treaty.
2. Where a Member State applies to the movements of capital liberalised in accordance with the provisions of this Chapter the domestic rules governing the capital market and the credit system, it shall do so in a non-discriminatory manner.
3. Loans for the direct or indirect financing of a Member State or its regional or local authorities shall not be issued or placed in other Member States unless the States concerned have reached agreement thereon. This provision shall not preclude the application of Article 22 of the Protocol on the Statute of the European Investment Bank.

ARTICLE 69

The Council shall, on a proposal from the Commission, which for this purpose shall consult the Monetary Committee provided for in Article 105, issue the necessary directives for the progressive implementation of the provisions of Article 67, acting unanimously during the first two stages and by a qualified majority thereafter.

ARTICLE 70

1. The Commission shall propose to the Council measures for the progressive coordination of the exchange policies of Member States in respect of the movement of capital between those States and third countries. For this purpose the Council shall issue directives, acting unanimously. It shall endeavour to attain the highest possible degree of liberalisation.

2. Where the measures taken in accordance with paragraph 1 do not permit the elimination of differences between the exchange rules of Member States and where such differences could lead persons resident in one of the Member States to use the freer transfer facilities within the Community which are provided for in Article 67 in order to evade the rules of one of the Member States concerning the movement of capital to or from third countries, that State may, after consulting the other Member States and the Commission, take appropriate measures to overcome these difficulties.

Should the Council find that these measures are restricting the free movement of capital within the Community to a greater extent than is required for the purpose of overcoming the difficulties, it may, acting by a qualified majority on a proposal from the Commission, decide that the State concerned shall amend or abolish these measures.

ARTICLE 71

Member States shall endeavour to avoid introducing within the Community any new exchange restrictions on the movement of capital and current payments connected with such movements, and shall endeavour not to make existing rules more restrictive.

They declare their readiness to go beyond the degree of liberalisation of capital movements provided for in the preceding Articles in so far as their economic situation, in particular the situation of their balance of payments, so permits.

The Commission may, after consulting the Monetary Committee, make recommendations to Member States on this subject.

ARTICLE 72

Member States shall keep the Commission informed of any movements of capital to and from third countries which come to their knowledge. The Commission may deliver to Member States any opinions which it considers appropriate on this subject.

ARTICLE 73

1. If movements of capital lead to disturbances in the functioning of the capital market in any Member State, the Commission shall, after consulting the Monetary Committee, authorise that State to take protective measures in the field of capital movements, the conditions and details of which the Commission shall determine.

The Council may, acting by a qualified majority, revoke this authorisation or amend the conditions or details thereof.

2. A Member State which is in difficulties may, however, on grounds of secrecy or urgency, take the measures mentioned above, where this proves necessary, on its own initiative. The Commission and the other Member States shall be informed of such measures by the date of their entry into force at the latest. In this event the Commission may, after consulting the Monetary Committee, decide that the State concerned shall amend or abolish the measures.

TITLE IV

Transport

I/E

ARTICLE 74

The objectives of this Treaty shall, in matters governed by this Title, be pursued by Member States within the framework of a common transport policy.

ARTICLE 75

1. For the purpose of implementing Article 74, and taking into account the distinctive features of transport, the Council shall, acting unanimously until the end of the second stage and by a qualified majority thereafter, lay down, on a proposal from the Commission and after consulting the Economic and Social Committee and the Assembly :

(a) common rules applicable to international transport to or from the territory of a Member State or passing across the territory of one or more Member States;

(b) the conditions under which non-resident carriers may operate transport services within a Member State;

(c) any other appropriate provisions.

2. The provisions referred to in (a) and (b) of paragraph 1 shall be laid down during the transitional period.

3. By way of derogation from the procedure provided for in paragraph 1, where the application of provisions concerning the principles of the regulatory system for transport would be liable to have a serious effect on the standard of living and on employment in certain areas and on the operation of transport facilities, they shall be laid down by the Council acting unanimously. In so doing, the Council shall take into account the need for adaptation to the economic development which will result from establishing the common market.

ARTICLE 76

Until the provisions referred to in Article 75 (1) have been laid down, no Member State may, without the unanimous approval of the Council,

make the various provisions governing the subject when this Treaty enters into force less favourable in their direct or indirect effect on carriers of other Member States as compared with carriers who are nationals of that State.

ARTICLE 77

Aids shall be compatible with this Treaty if they meet the needs of coordination of transport or if they represent reimbursement for the discharge of certain obligations inherent in the concept of a public service.

ARTICLE 78

Any measures taken within the framework of this Treaty in respect of transport rates and conditions shall take account of the economic circumstances of carriers.

ARTICLE 79

1. In the case of transport within the Community, discrimination which takes the form of carriers charging different rates and imposing different conditions for the carriage of the same goods over the same transport links on grounds of the country of origin or of destination of the goods in question, shall be abolished, at the latest, before the end of the second stage.

2. Paragraph 1 shall not prevent the Council from adopting other measures in pursuance of Article 75 (1).

3. Within two years of the entry into force of this Treaty, the Council shall, acting by a qualified majority on a proposal from the Commission and after consulting the Economic and Social Committee, lay down rules for implementing the provisions of paragraph 1.

The Council may in particular lay down the provisions needed to enable the institutions of the Community to secure compliance with the rule laid down in paragraph 1 and to ensure that users benefit from it to the full.

4. The Commission shall, acting on its own initiative or on application by a Member State, investigate any cases of discrimination falling within paragraph 1 and, after consulting any Member State concerned, shall take the necessary decisions within the framework of the rules laid down in accordance with the provisions of paragraph 3.

ARTICLE 80

1. The imposition by a Member State, in respect of transport operations carried out within the Community, of rates and conditions involving any element of support or protection in the interest of one or more particular undertakings or industries shall be prohibited as from the beginning of the second stage, unless authorised by the Commission.

2. The Commission shall, acting on its own initiative or on application by a Member State, examine the rates and conditions referred to in paragraph 1, taking account in particular of the requirements of an appropriate regional economic policy, the needs of underdeveloped areas and the problems of areas seriously affected by political circumstances on the one hand, and of the effects of such rates and conditions on competition between the different modes of transport on the other.

After consulting each Member State concerned, the Commission shall take the necessary decisions.

3. The prohibition provided for in paragraph 1 shall not apply to tariffs fixed to meet competition.

ARTICLE 81

Charges or dues in respect of the crossing of frontiers which are charged by a carrier in addition to the transport rates shall not exceed a reasonable level after taking the costs actually incurred thereby into account.

Member States shall endeavour to reduce these costs progressively.

The Commission may make recommendations to Member States for the application of this Article.

ARTICLE 82

The provisions of this Title shall not form an obstacle to the application of measures taken in the Federal Republic of Germany to the extent that such measures are required in order to compensate for the economic disadvantages caused by the division of Germany to the economy of certain areas of the Federal Republic affected by that division.

ARTICLE 83

An Advisory Committee consisting of experts designated by the Governments of Member States, shall be attached to the Commission. The Commission, whenever it considers it desirable, shall consult the Committee on transport matters without prejudice to the powers of the transport section of the Economic and Social Committee.

ARTICLE 84

1. The provisions of this Title shall apply to transport by rail, road and inland waterway.
2. The Council may, acting unanimously, decide whether, to what extent and by what procedure appropriate provisions may be laid down for sea and air transport.

PART THREE

POLICY OF THE COMMUNITY

I/E

TITLE I

Common Rules

Chapter 1

RULES ON COMPETITION

Section 1

Rules applying to undertakings

ARTICLE 85

1. The following shall be prohibited as incompatible with the common market : all agreements between undertakings, decision by associations of undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the common market, and in particular those which :

(a) directly or indirectly fix purchase or selling prices or any other trading conditions;

(b) limit or control production, markets, technical development, or investment;

(c) share markets or sources of supply;

(d) apply dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;

(e) make the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.

2. Any agreements or decisions prohibited pursuant to this Article shall be automatically void.

3. The provisions of paragraph 1 may, however, be declared inapplicable in the case of :

- any agreement or category of agreements between undertakings;
- any decision or category of decisions by associations of undertakings;
- any concerted practice or category of concerted practices;

which contributes to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit, and which does not :

(a) impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives;

(b) afford such undertakings the possibility of eliminating competition in respect of a substantial part of the products in question.

ARTICLE 86

Any abuse by one or more undertakings of a dominant position within the common market or in a substantial part of it shall be prohibited as incompatible with the common market in so far as it may affect trade between Member States.

Such abuse may, in particular, consist in :

(a) directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;

(b) limiting production, markets or technical development to the prejudice of consumers;

(c) applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;

(d) making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.

ARTICLE 87

1. Within three years of the entry into force of this Treaty the Council shall, acting unanimously on a proposal from the Commission and after consulting the Assembly, adopt any appropriate regulations or directives to give effect to the principles set out in Articles 85 and 86.

If such provisions have not been adopted within the period mentioned, they shall be laid down by the Council, acting by a qualified majority on a proposal from the Commission and after consulting the Assembly.

2. The regulations or directives referred to in paragraph 1 shall be designed, in particular :

(a) to ensure compliance with the prohibitions laid down in Article 85 (1) and in Article 86 by making provision for fines and periodic penalty payments;

(b) to lay down detailed rules for the application of Article 85 (3), taking into account the need to ensure effective supervision on the one hand, and to simplify administration to the greatest possible extent on the other;

(c) to define, if need be, in the various branches of the economy, the scope of the provisions of Articles 85 and 86;

(d) to define the respective functions of the Commission and of the Court of Justice in applying the provisions laid down in this paragraph;

(e) to determine the relationship between national laws and the provisions contained in this Section or adopted pursuant to this Article.

ARTICLE 88

Until the entry into force of the provisions adopted in pursuance of Article 87, the authorities in Member States shall rule on the admissibility of agreements, decisions and concerted practices and on abuse of a dominant position in the common market in accordance with the law of their country and with the provisions of Article 85, in particular paragraph 3, and of Article 86.

ARTICLE 89

1. Without prejudice to Article 88, the Commission shall, as soon as it takes up its duties, ensure the application of the principles laid down in Articles 85 and 86. On application by a Member State or on its own initiative, and in cooperation with the competent authorities in the Member States, who shall give it their assistance, the Commission shall investigate cases of suspected infringement of these principles. If it finds that there has been an infringement, it shall propose appropriate measures to bring it to an end.

2. If the infringement is not brought to an end, the Commission shall record such infringement of the principles in a reasoned decision. The Commission may publish its decision and authorise Member States to take the measures, the conditions and details of which it shall determine, needed to remedy the situation.

ARTICLE 90

1. In the case of public undertakings and undertakings to which Member States grant special or exclusive rights, Member States shall neither enact nor maintain in force any measure contrary to the rules contained in this Treaty, in particular to those rules provided for in Article 7 and Articles 85 to 94.

2. Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly shall be subject to the rules contained in this Treaty, in particular to the rules on competition, in so far as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them. The development of trade must not be affected to such an extent as would be contrary to the interests of the Community.

3. The Commission shall ensure the application of the provisions of this Article and shall, where necessary, address appropriate directives or decisions to Member States.

Section 2

Dumping

ARTICLE 91

1. If, during the transitional period, the Commission, on application by a Member State or by any other interested party, finds that dumping is being practised within the common market, it shall address recommendations to the person or persons with whom such practices originate for the purpose of putting an end to them.

Should the practices continue, the Commission shall authorise the injured Member State to take protective measures, the conditions and details of which the Commission shall determine.

2. As soon as this Treaty enters into force, products which originate in or are in free circulation in one Member State and which have been exported to another Member State shall, on reimportation, be admitted into the territory of the first-mentioned State free of all customs duties, quantitative restrictions or measures having equivalent effect. The Commission shall lay down appropriate rules for the application of this paragraph.

Section 3

Aids granted by States

ARTICLE 92

1. Save as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the common market.

2. The following shall be compatible with the common market :

(a) aid having a social character, granted to individual consumers, provided that such aid is granted without discrimination related to the origin of the products concerned;

(b) aid to make good the damage caused by natural disasters or other exceptional occurrences;

(c) aid granted to the economy of certain areas of the Federal Republic of Germany affected by the division of Germany, in so far as such aid is required in order to compensate for the economic disadvantages caused by that division.

3. The following may be considered to be compatible with the common market :

(a) aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment.

(b) aid to promote the execution of an important project of common European interest or to remedy a serious disturbance in the economy of a Member State;

(c) aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest. However, the aids granted to shipbuilding as of 1 January 1957 shall, in so far as they serve only to compensate for the absence of customs protection, be progressively reduced under the same conditions as apply to the elimination of customs

duties, subject to the provisions of this Treaty concerning common commercial policy towards third countries;

(d) such other categories of aid as may be specified by decision of the Council acting by a qualified majority on a proposal from the Commission.

ARTICLE 93

1. The Commission shall, in cooperation with Member States, keep under constant review all systems of aid existing in those States. It shall propose to the latter any appropriate measures required by the progressive development or by the functioning of the common market.

2. If, after giving notice to the parties concerned to submit their comments, the Commission finds that aid granted by a State or through State resources is not compatible with the common market having regard to Article 92, or that such aid is being misused, it shall decide that the State concerned shall abolish or alter such aid within a period of time to be determined by the Commission.

If the State concerned does not comply with this decision within the prescribed time, the Commission or any other interested State may, in derogation from the provisions of Articles 169 and 170, refer the matter to the Court of Justice direct.

On application by a Member State, the Council, may, acting unanimously, decide that aid which that State is granting or intends to grant shall be considered to be compatible with the common market, in derogation from the provisions of Article 92 or from the regulations provided for in Article 94, if such a decision is justified by exceptional circumstances. If, as regards the aid in question, the Commission has already initiated the procedure provided for in the first subparagraph of this paragraph, the fact that the State concerned has made its application to the Council shall have the effect of suspending that procedure until the Council has made its attitude known.

If, however, the Council has not made its attitude known within three months of the said application being made, the Commission shall give its decision on the case.

3. The Commission shall be informed, in sufficient time to enable it to submit its comments, of any plans to grant or alter aid. If it considers that any such plan is not compatible with the common market having regard to Article 92, it shall without delay initiate the procedure provided for in paragraph 2. The Member State concerned shall not put its proposed measures into effect until this procedure has resulted in a final decision.

ARTICLE 94

The Council may, acting by a qualified majority on a proposal from the Commission, make any appropriate regulations for the application of Articles 92 and 93 and may in particular determine the conditions in which Article 93 (3) shall apply and the categories of aid exempted from this procedure.

Chapter 2

TAX PROVISIONS

ARTICLE 95

No Member State shall impose, directly or indirectly, on the products of other Member States any internal taxation of any kind in excess of that imposed directly or indirectly on similar domestic products.

Furthermore, no Member State shall impose on the products of other Member States any internal taxation of such a nature as to afford indirect protection to other products.

Member States shall, not later than at the beginning of the second stage, repeal or amend any provisions existing when this Treaty enters into force which conflict with the preceding rules.

ARTICLE 96

Where products are exported to the territory of any Member State, any repayment of internal taxation shall not exceed the internal taxation imposed on them, whether directly or indirectly.

ARTICLE 97

Member States which levy a turnover tax calculated on a cumulative multi-stage tax system may, in the case of internal taxation imposed by them on imported products or of repayments allowed by them on exported products,

establish average rates for products or groups of products, provided that there is no infringement of the principles laid down in Articles 95 and 96.

Where the average rates established by a Member State do not conform to these principles, the Commission shall address appropriate directives or decisions to the State concerned.

ARTICLE 98

In the case of charges other than turnover taxes, excise duties and other forms of indirect taxation, remissions and repayments in respect of exports to other Member States may not be granted and countervailing charges in respect of imports from Member States may not be imposed unless the measures contemplated have been previously approved for a limited period by the Council acting by a qualified majority on a proposal from the Commission.

ARTICLE 99

The Commission shall consider how the legislation of the various Member States concerning turnover taxes, excise duties and other forms of indirect taxation, including countervailing measures applicable to trade between Member States, can be harmonised in the interest of the common market.

The Commission shall submit proposals to the Council, which shall act unanimously without prejudice to the provisions of Articles 100 and 101.

Chapter 3

APPROXIMATION OF LAWS

ARTICLE 100

The Council shall, acting unanimously on a proposal from the Commission, issue directives for the approximation of such provisions laid down by law, regulation or administrative action in Member States as directly affect the establishment or functioning of the common market.

The Assembly and the Economic and Social Committee shall be consulted in the case of directives whose implementation would, in one or more Member States, involve the amendment of legislation.

ARTICLE 101

Where the Commission finds that a difference between the provisions laid down by law, regulation or administrative action in Member States is distorting the conditions of competition in the common market and that the resultant distortion needs to be eliminated, it shall consult the Member States concerned.

If such consultation does not result in an agreement eliminating the distortion in question, the Council shall, on a proposal from the Commission, acting unanimously during the first stage and by a qualified majority thereafter, issue the necessary directives. The Commission and the Council may take any other appropriate measures provided for in this Treaty.

ARTICLE 102

1. Where there is reason to fear that the adoption or amendment of a provision laid down by law, regulation or administrative action may cause distortion within the meaning of Article 101, a Member State desiring to proceed therewith shall consult the Commission. After consulting the Member States, the Commission shall recommend to the States concerned such measures as may be appropriate to avoid the distortion in question.

2. If a State desiring to introduce or amend its own provisions does not comply with the recommendation addressed to it by the Commission, other Member States shall not be required, in pursuance of Article 101, to amend their own provisions in order to eliminate such distortion. If the Member State which has ignored the recommendation of the Commission causes distortion detrimental only to itself, the provisions of Article 101 shall not apply.

TITLE II

Economic policy

Chapter 1

CONJUNCTURAL POLICY

ARTICLE 103

1. Member States shall regard their conjunctural policies as a matter of common concern. They shall consult each other and the Commission on the measures to be taken in the light of the prevailing circumstances.
2. Without prejudice to any other procedures provided for in this Treaty, the Council may, acting unanimously on a proposal from the Commission, decide upon the measures appropriate to the situation.
3. Acting by a qualified majority on a proposal from the Commission, the Council shall, where required, issue any directives needed to give effect to the measures decided upon under paragraph 2.
4. The procedures provided for in this Article shall also apply if any difficulty should arise in the supply of certain products.

Chapter 2

BALANCE OF PAYMENTS

ARTICLE 104

Each Member State shall pursue the economic policy needed to ensure the equilibrium of its overall balance of payments and to maintain confidence in its currency, while taking care to ensure a high level of employment and a stable level of prices.

ARTICLE 105

1. In order to facilitate attainment of the objectives set out in Article 104, Member States shall coordinate their economic policies. They shall for this purpose provide for cooperation between their appropriate administrative departments and between their central banks.

The Commission shall submit to the Council recommendations on how to achieve such cooperation.

2. In order to promote coordination of the policies of Member States in the monetary field to the full extent needed for the functioning of the common market, a Monetary Committee with advisory status is hereby set up. It shall have the following tasks:

- to keep under review the monetary and financial situation of the Member States and of the Community and the general payments system of the Member States and to report regularly thereon to the Council and to the Commission;

- to deliver opinions at the request of the Council or of the Commission or on its own initiative, for submission to these institutions.

The Member States and the Commission shall each appoint two members of the Monetary Committee.

ARTICLE 106

1. Each Member State undertakes to authorise, in the currency of the Member State in which the creditor or the beneficiary resides, any payments connected with the movement of goods, services or capital, and any transfers of capital and earnings, to the extent that the movement of goods, services, capital and persons between Member States has been liberalised pursuant to this Treaty.

The Member States declare their readiness to undertake the liberalisation of payments beyond the extent provided in the preceding subparagraph, in so far as their economic situation in general and the state of their balance of payments in particular so permit.

2. In so far as movements of goods, services, and capital are limited only by restrictions on payments connected therewith, these restrictions shall be progressively abolished by applying, mutatis mutandis, the provisions of the Chapters relating to the abolition of quantitative restrictions, to the liberalisation of services and to the free movement of capital.

3. Member States undertake not to introduce between themselves any new restrictions on transfers connected with the invisible transactions listed in Annex III to this Treaty.

The progressive abolition of existing restrictions shall be effected in accordance with the provisions of Articles 63 to 65, in so far as such abolition is not governed by the provisions contained in paragraphs 1 and 2 or by the Chapter relating to the free movement of capital.

4. If need be, Member States shall consult each other on the measures to be taken to enable the payments and transfers mentioned in this Article to be effected; such measures shall not prejudice the attainment of the objectives set out in this Chapter.

ARTICLE 107

1. Each Member State shall treat its policy with regard to rates of exchange as a matter of common concern.

2. If a Member State makes an alternation in its rate of exchange which is inconsistent with the objectives set out in Article 104 and which seriously distorts conditions of competition, the Commission may, after consulting the

Monetary Committee, authorise other Member States to take for a strictly limited period the necessary measures, the conditions and details of which it shall determine, in order to counter the consequences of such alteration.

ARTICLE 108

1. Where a Member State is in difficulties or is seriously threatened with difficulties as regards its balance of payments either as a result of an overall disequilibrium in its balance of payments, or as a result of the type of currency at its disposal, and where such difficulties are liable in particular to jeopardise the functioning of the common market or the progressive implementation of the common commercial policy, the Commission shall immediately investigate the position of the State in question and the action which, making use of all the means at its disposal, that State has taken or may take in accordance with the provisions of Article 104. The Commission shall state what measures it recommends the State concerned to take.

If the action taken by a Member State and the measures suggested by the Commission do not prove sufficient to overcome the difficulties which have arisen or which threaten, the Commission shall, after consulting the Monetary Committee, recommend to the Council the granting of mutual assistance and appropriate methods therefor.

The Commission shall keep the Council regularly informed of the situation and of how it is developing.

2. The Council, acting by a qualified majority, shall grant such mutual assistance; it shall adopt directives or decisions laying down the conditions and details of such assistance, which may take such forms as :

(a) a concerted approach to or within any other international organisations to which Member States may have recourse;

(b) measures needed to avoid deflection of trade where the State which is in difficulties maintains or reintroduces quantitative restrictions against third countries;

(c) the granting of limited credits by other Member States, subject to their agreement.

During the transitional period, mutual assistance may also take the form of special reductions in customs duties or enlargements of quotas in order to facilitate an increase in imports from the State which is in difficulties, subject to the agreement of the States by which such measures would have to be taken.

3. If the mutual assistance recommended by the Commission is not granted by the Council or if the mutual assistance granted and the measures taken are insufficient, the Commission shall authorise the State which is in difficulties to take protective measures, the conditions and details of which the Commission shall determine.

Such authorisation may be revoked and such conditions and details may be changed by the Council acting by a qualified majority.

ARTICLE 109

1. Where a sudden crisis in the balance of payments occurs and a decision within the meaning of Article 108 (2) is not immediately taken, the Member State concerned may, as a precaution, take the necessary protective measures. Such measures must cause the least possible disturbance in the functioning of the common market and must not be wider in scope than is strictly necessary to remedy the sudden difficulties which have arisen.

2. The Commission and the other Member States shall be informed of such protective measures not later than when they enter into force. The Commission may recommend to the Council the granting of mutual assistance under Article 108.

3. After the Commission has delivered an opinion and the Monetary Committee has been consulted, the Council may, acting by a qualified majority, decide that the State concerned shall amend, suspend or abolish the protective measures referred to above.

Chapter 3

COMMERCIAL POLICY

ARTICLE 110

By establishing a customs union between themselves Member States aim to contribute, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers.

The common commercial policy shall take into account the favourable effect which the abolition of customs duties between Member States may have on the increase in the competitive strength of undertakings in those States.

ARTICLE 111

The following provisions shall, without prejudice to Articles 115 and 116, apply during the transitional period :

1. Member States shall coordinate their trade relations with third countries so as to bring about, by the end of the transitional period, the conditions needed for implementing a common policy in the field of external trade.

The Commission shall submit to the Council proposals regarding the procedure for common action to be followed during the transitional period and regarding the achievement of uniformity in their commercial policies.

2. The Commission shall submit to the Council recommendations for tariff negotiations with third countries in respect of the common customs tariff.

The Council shall authorise the Commission to open such negotiations.

The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it.

3. In exercising the powers conferred upon it by this Article, the Council shall act unanimously during the first two stages and by a qualified majority thereafter.

4. Member States shall, in consultation with the Commission, take all necessary measures, particularly those designed to bring about an adjustment of tariff agreements in force with third countries, in order that the entry into force of the common customs tariff shall not be delayed.

5. Member States shall aim at securing as high a level of uniformity as possible between themselves as regards their liberalisation lists in relation to third countries or groups of third countries. To this end, the Commission shall make all appropriate recommendations to Member States.

If Member States abolish or reduce quantitative restrictions in relation to third countries, they shall inform the Commission beforehand and shall accord the same treatment to other Member States.

ARTICLE 112

1. Without prejudice to obligations undertaken by them within the framework of other international organisations, Member States shall, before the end of the transitional period, progressively harmonise the systems whereby they grant aid for exports to third countries, to the extent necessary to ensure that competition between undertakings of the Community is not distorted.

On a proposal from the Commission, the Council, shall, acting unanimously until the end of the second stage and by a qualified majority thereafter, issue any directives needed for this purpose.

2. The preceding provisions shall not apply to such drawback of customs duties or charges having equivalent effect nor to such repayment of indirect taxation including turnover taxes, excise duties and other indirect taxes as is allowed when goods are exported from a Member State to a third country, in so far as such drawback or repayment does not exceed the amount imposed, directly or indirectly, on the products exported.

ARTICLE 113

1. After the transitional period has ended, the common commercial policy shall be based on uniform principles, particularly in regard to changes in tariff rates, the conclusion of tariff and trade agreements, the achievement of uniformity in measures of liberalisation, export policy and measures to protect trade such as those to be taken in case of dumping or subsidies.

2. The Commission shall submit proposals to the Council for implementing the common commercial policy.

3. Where agreements with third countries need to be negotiated, the Commission shall make recommendations to the Council, which shall authorise the Commission to open the necessary negotiations.

The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it.

4. In exercising the powers conferred upon it by this Article, the Council shall act by a qualified majority.

ARTICLE 114

The agreements referred to in Article 111 (2) and in Article 113 shall be concluded by the Council on behalf of the Community, acting unanimously during the first two stages and by a qualified majority thereafter.

ARTICLE 115

In order to ensure that the execution of measures of commercial policy taken in accordance with this Treaty by any Member State is not obstructed by deflection of trade, or where differences between such measures lead to economic difficulties in one or more of the Member States, the Commission shall recommend the methods for the requisite cooperation between Member States. Failing this, the Commission shall authorise Member States to take the necessary protective measures, the conditions and details of which it shall determine.

In case of urgency during the transitional period, Member States may themselves take the necessary measures and shall notify them to the other Member States and to the Commission, which may decide that the States concerned shall amend or abolish such measures.

In the selection of such measures, priority shall be given to those which cause the least disturbance to the functioning of the common market and which take into account the need to expedite, as far as possible, the introduction of the common customs tariff.

ARTICLE 116

From the end of the transitional period onwards, Member States shall, in respect of all matters of particular interest to the common market, proceed within the framework of international organisations of an economic character only by common action. To this end, the Commission shall submit to the Council, which shall act by a qualified majority, proposals concerning the scope and implementation of such common action.

During the transitional period, Member States shall consult each other for the purpose of concerting the action they take and adopting as far as possible a uniform attitude.

TITLE III

Social policy

Chapter 1

SOCIAL PROVISIONS

ARTICLE 117

Member States agree upon the need to promote improved working conditions and an improved standard of living for workers, so as to make possible their harmonisation while the improvement is being maintained.

They believe that such a development will ensue not only from the functioning of the common market, which will favour the harmonisation of social systems, but also from the procedures provided for in this Treaty and from the approximation of provisions laid down by law, regulation or administrative action.

ARTICLE 118

Without prejudice to the other provisions of this Treaty and in conformity with its general objectives, the Commission shall have the task of promoting close cooperation between Member States in the social field, particularly in matters relating to :

- employment;
- labour law and working conditions;
- basic and advanced vocational training;
- social security;
- prevention of occupational accidents and diseases;
- occupational hygiene;
- the right of association, and collective bargaining between employers and workers.

To this end, the Commission shall act in close contact with Member States by making studies, delivering opinions and arranging consultations both on problems arising at national level and on those of concern to international organisations.

Before delivering the opinions provided for in this Article, the Commission shall consult the Economic and Social Committee.

ARTICLE 119

Each Member State shall during the first stage ensure and subsequently maintain the application of the principle that men and women should receive equal pay for equal work.

For the purpose of this Article, "pay" means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or in kind, which the worker receives, directly or indirectly, in respect of his employment from his employer.

Equal pay without discrimination based on sex means :

- (a) that pay for the same work at piece rates shall be calculated on the basis of the same unit of measurement;
- (b) that pay for work at time rates shall be the same for the same job.

ARTICLE 120

Member States shall endeavour to maintain the existing equivalence between paid holiday schemes.

ARTICLE 121

The Council may, acting unanimously and after consulting the Economic and Social Committee, assign to the Commission tasks in connection with the implementation of common measures, particularly as regards social security for the migrant workers referred to in Articles 48 to 51.

ARTICLE 122

The Commission shall include a separate chapter on social developments within the Community in its annual report to the Assembly.

The Assembly may invite the Commission to draw up reports on any particular problems concerning social conditions.

Chapter 2

THE EUROPEAN SOCIAL FUND

ARTICLE 123

In order to improve employment opportunities for workers in the common market and to contribute thereby to raising the standard of living, a European Social Fund is hereby established in accordance with the provisions set out below; it shall have the task of rendering the employment of workers easier and of increasing their geographical and occupational mobility within the Community.

ARTICLE 124

The Fund shall be administered by the Commission.

The Commission shall be assisted in this task by a Committee presided over by a member of the Commission and composed of representatives of Governments, trade unions and employers' organisations.

ARTICLE 125

1. On application by a Member State the Fund shall, within the framework of the rules provided for in Article 127, meet 50% of the expenditure incurred after the entry into force of this Treaty by that State or by a body governed by public law for the purposes of :

(a) ensuring productive re-employment of workers by means of :

- vocational retraining;
- resettlement allowances;

(b) granting aid for the benefit of workers whose employment is reduced or temporarily suspended, in whole or in part, as a result of the conversion of an undertaking to other production, in order that they may retain the same wage level pending their full re-employment.

2. Assistance granted by the Fund towards the cost of vocational retraining shall be granted only if the unemployed workers could not be found employment except in a new occupation and only if they have been in productive employment for at least six months in the occupation for which they have been retrained.

Assistance towards resettlement allowances shall be granted only if the unemployed workers have been caused to change their home within the Community and have been in productive employment for at least six months in their new place of residence.

Assistance for workers in the case of the conversion of an undertaking shall be granted only if :

(a) the workers concerned have again been fully employed in that undertaking for at least six months;

(b) the Government concerned has submitted a plan beforehand, drawn up by the undertaking in question, for that particular conversion and for financing it;

(c) the Commission has given its prior approval to the conversion plan.

ARTICLE 126

When the transitional period has ended, the Council, after receiving the opinion of the Commission and after consulting the Economic and Social Committee and the Assembly, may :

(a) rule, by a qualified majority, that all or part of the assistance referred to in Article 125 shall no longer be granted; or

(b) unanimously determine what new tasks may be entrusted to the Fund within the framework of its terms of reference as laid down in Article 123.

ARTICLE 127

The Council shall, acting by a qualified majority on a proposal from the Commission and after consulting the Economic and Social Committee and the

Assembly, lay down the provisions required to implement Articles 124 to 126; in particular it shall determine in detail the conditions under which assistance shall be granted by the Fund in accordance with Article 125 and the classes of undertakings whose workers shall benefit from the assistance provided for in Article 125 (1) (b).

ARTICLE 128

The Council shall, acting on a proposal from the Commission and after consulting the Economic and Social Committee, lay down general principles for implementing a common vocational training policy capable of contributing to the harmonious development both of the national economies and of the common market.

TITLE IV

The European Investment Bank

I/E

ARTICLE 129

A European Investment Bank is hereby established; it shall have legal personality.

The members of the European Investment Bank shall be the Member States.

The Statute of the European Investment Bank is laid down in a Protocol annexed to this Treaty.

ARTICLE 130

The task of the European Investment Bank shall be to contribute, by having recourse to the capital market and utilising its own resources, to the balanced and steady development of the common market in the interest of the Community. For this purpose the Bank shall, operating on a non-profit-making basis, grant loans and give guarantees which facilitate the financing of the following projects in all sectors of the economy :

- (a) projects for developing less developed regions;
- (b) projects for modernising or converting undertakings or for developing fresh activities called for by the progressive establishment of the common market, where these projects are of such a size or nature that they cannot be entirely financed by the various means available in the individual Member States;
- (c) projects of common interest to several Member States which are of such a size or nature that they cannot be entirely financed by the various means available in the individual Member States.

PART FOUR

ASSOCIATION

OF THE OVERSEAS COUNTRIES AND TERRITORIES

ARTICLE 131

The Member States agree to associate with the Community the non-European countries and territories which have special relations with Belgium, France, Italy and the Netherlands. These countries and territories (hereinafter called the "countries and territories") are listed in Annex IV to this Treaty.

The purpose of association shall be to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole.

In accordance with the principles set out in the Preamble to this Treaty, association shall serve primarily to further the interests and prosperity of the inhabitants of these countries and territories in order to lead them to the economic, social and cultural development to which they aspire.

ARTICLE 132

Association shall have the following objectives :

1. Member States shall apply to their trade with the countries and territories the same treatment as they accord each other pursuant to this Treaty.
2. Each country or territory shall apply to its trade with Member States and with the other countries and territories the same treatment as that which it applies to the European State with which it has special relations.
3. The Member States shall contribute to the investments required for the progressive development of these countries and territories.
4. For investments financed by the Community, participation in tenders and supplies shall be open on equal terms to all natural and legal persons who are nationals of a Member State or of one of the countries and territories.

5. In relations between Member States and the countries and territories the right of establishment of nationals and companies or firms shall be regulated in accordance with the provisions and procedures laid down in the Chapter relating to the right of establishment and on a non-discriminatory basis, subject to any special provisions laid down pursuant to Article 136.

ARTICLE 133

1. Customs duties on imports into the Member States of goods originating in the countries and territories shall be completely abolished in conformity with the progressive abolition of customs duties between Member States in accordance with the provisions of this Treaty.

2. Customs duties on imports into each country or territory from Member States or from the other countries or territories shall be progressively abolished in accordance with the provisions of Articles 12, 13, 14, 15 and 17.

3. The countries and territories may, however, levy customs duties which meet the needs of their development and industrialisation or produce revenue for their budgets.

The duties referred to in the preceding subparagraph shall nevertheless be progressively reduced to the level of those imposed on imports of products from the Member State with which each country or territory has special relations. The percentages and the timetable of the reductions provided for under this Treaty shall apply to the difference between the duty imposed on a product coming from the Member State which has special relations with the country or territory concerned and the duty imposed on the same product coming from within the Community on entry into the importing country or territory.

4. Paragraph 2 shall not apply to countries and territories which, by reason of the particular international obligations by which they are bound, already apply a non-discriminatory customs tariff when this Treaty enters into force.

5. The introduction of or any change in customs duties imposed on goods imported into the countries and territories shall not, either in law or in fact, give rise to any direct or indirect discrimination between imports from the various Member States.

ARTICLE 134

If the level of the duties applicable to goods from a third country on entry into a country or territory is liable, when the provisions of article 133 (1) have been applied, to cause deflections of trade to the detriment of any Member State, the latter may request the Commission to propose to the other Member States the measures needed to remedy the situation.

ARTICLE 135

Subject to the provisions relating to public health, public security or public policy, freedom of movement within Member States for workers from the countries and territories, and within the countries and territories for workers from Member States, shall be governed by agreements to be concluded subsequently with the unanimous approval of Member States.

ARTICLE 136

For an initial period of five years after the entry into force of this Treaty, the details of and procedure for the association of the countries and territories with the Community shall be determined by an Implementing Convention annexed to this Treaty.

Before the Convention referred to in the preceding paragraph expires, the Council shall, acting unanimously, lay down provisions for a further period, on the basis of the experience acquired and of the principles set out in this Treaty.

PART FIVE

INSTITUTIONS OF THE COMMUNITY

TITLE I

Provisions Governing the Institutions

I/E

Chapter 1

THE INSTITUTIONS

Section 1
The Assembly

ARTICLE 137

The Assembly, which shall consist of representatives of the peoples of the States brought together in the Community, shall exercise the advisory and supervisory powers which are conferred upon it by this Treaty.

ARTICLE 138

1. The Assembly shall consist of delegates who shall be designated by the respective Parliaments from among their members in accordance with the procedure laid down by each Member State.

2. The number of these delegates shall be as follows :

Belgium	14
Germany	36
France	36
Italy	36
Luxembourg	6
Netherlands	14

3. The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

The Council shall, acting unanimously, lay down the appropriate provisions, which it shall recommend to Member States for adoption in accordance with their respective constitutional requirements.

ARTICLE 139

The Assembly shall hold an annual session. It shall meet, without requiring to be convened, on the third Tuesday in October.

The Assembly may meet in extraordinary session at the request of a majority of its members or at the request of the Council or of the Commission.

ARTICLE 140

The Assembly shall elect its President and its officers from among its members.

Members of the Commission may attend all meetings and shall, at their request, be heard on behalf of the Commission.

The Commission shall reply orally or in writing to questions put to it by the Assembly or by its members.

The Council shall be heard by the Assembly in accordance with the conditions laid down by the Council in its rules of procedure.

ARTICLE 141

Save as otherwise provided in this Treaty, the Assembly shall act by an absolute majority of the votes cast.

The rules of procedure shall determine the quorum.

ARTICLE 142

The Assembly shall adopt its rules of procedure, acting by a majority of its members.

The proceedings of the Assembly shall be published in the manner laid down in its rules of procedure.

ARTICLE 143

The Assembly shall discuss in open session the annual general report submitted to it by the Commission.

ARTICLE 144

If a motion of censure on the activities of the Commission is tabled before it, the Assembly shall not vote thereon until at least three days after the motion has been tabled and only by open vote.

If the motion of censure is carried by a two-thirds majority of the votes cast, representing a majority of the members of the Assembly, the members of the Commission shall resign as a body. They shall continue to deal with current business until they are replaced in accordance with Article 158.

Section 2

The Council

ARTICLE 145

To ensure that the objectives set out in this Treaty are attained, the Council shall, in accordance with the provisions of this Treaty :

- ensure coordination of the general economic policies of the Member States;
- have power to take decisions.

ARTICLE 146

The Council shall consist of representatives of the Member States. Each government shall delegate to it one of its members.

The office of President shall be held for a term of six months by each member of the Council in turn, in the alphabetical order of the Member States.

ARTICLE 147

The Council shall meet when convened by its President on his own initiative or at the request of one of its members or of the Commission.

ARTICLE 148

1. Save as otherwise provided in this Treaty, the Council shall act by a majority of its members.

2. Where the Council is required to act by a qualified majority, the votes of its members shall be weighted as follows :

Belgium.....	2
Germany.....	4
France.....	4
Italy.....	4
Luxembourg.....	1
Netherlands.....	2

For their adoption, acts of the Council shall require at least :

- twelve votes in favour where this Treaty requires them to be adopted on a proposal from the Commission,
- twelve votes in favour, cast by at least four members, in other cases.

3. Abstentions by members present in person or represented shall not prevent the adoption by the Council of acts which require unanimity.

ARTICLE 149

Where, in pursuance of this Treaty, the Council acts on a proposal from the Commission, unanimity shall be required for an act constituting an amendment to that proposal.

As long as the Council has not acted, the Commission may alter its original proposal, in particular where the Assembly has been consulted on that proposal.

ARTICLE 150

Where a vote is taken, any member of the Council may also act on behalf of not more than one other member.

ARTICLE 151

The Council shall adopt its rules of procedure.

These rules of procedure may provide for the setting up of a committee consisting of representatives of the Member States. The Council shall determine the task and powers of that committee.

ARTICLE 152

The Council may request the Commission to undertake any studies which the Council considers desirable for the attainment of the common objectives, and to submit to it any appropriate proposals.

ARTICLE 153

The Council shall, after receiving an opinion from the Commission, determine the rules governing the committees provided for in this Treaty.

ARTICLE 154

The Council shall, acting by a qualified majority, determine the salaries, allowances and pensions of the President and members of the Commission, and of the President, Judges, Advocates-General and Registrar of the Court of Justice. It shall also, again by a qualified majority, determine any payment to be made instead of remuneration.

Section 3

The Commission

ARTICLE 155

In order to ensure the proper functioning and development of the common market, the Commission shall :

- ensure that the provisions of this Treaty and the measures taken by the institutions pursuant thereto are applied;

- formulate recommendations or deliver opinions on matters dealt with in this Treaty, if it expressly so provides or if the Commission considers it necessary;

- have its own power of decision and participate in the shaping of measures taken by the Council and by the Assembly in the manner provided for in this Treaty;

- exercise the powers conferred on it by the Council for the implementation of the rules laid down by the latter.

ARTICLE 156

The Commission shall publish annually, not later than one month before the opening of the session of the Assembly, a general report on the activities of the Community.

ARTICLE 157

1. The Commission shall consist of nine members, who shall be chosen on the grounds of their general competence and whose independence is beyond doubt.

The number of members of the Commission may be altered by the Council, acting unanimously.

Only nationals of Member States may be members of the Commission.

The Commission may not include more than two members having the nationality of the same State.

2. The members of the Commission shall, in the general interest of the Community, be completely independent in the performance of their duties.

In the performance of these duties, they shall neither seek nor take instructions from any Government or from any other body. They shall refrain from any action incompatible with their duties. Each Member State undertakes to respect this principle and not to seek to influence the members of the Commission in the performance of their tasks.

The members of the Commission may not, during their term of office, engage in any other occupation, whether gainful or not. When entering upon their duties they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations arising therefrom and in particular their duty to behave with integrity and discretion as regards the acceptance, after they have ceased to hold office, of certain appointments or benefits. In the event of any breach of these obligations, the Court of Justice may, on application by the Council or the Commission, rule that the member concerned be, according to the circumstances, either compulsorily retired in accordance with the provisions of Article 160 or deprived of his right to a pension or other benefits in its stead.

ARTICLE 158

The members of the Commission shall be appointed by common accord of the Governments of the Member States.

Their term of office shall be four years. It shall be renewable.

ARTICLE 159

Apart from normal replacement, or death, the duties of a member of the Commission shall end when he resigns or is compulsorily retired.

The vacancy thus caused shall be filled for the remainder of the member's term of office. The Council may, acting unanimously, decide that such a vacancy need not be filled.

Save in the case of compulsory retirement under the provisions of article 160, members of the Commission shall remain in office until they have been replaced.

ARTICLE 160

If any member of the Commission no longer fulfils the conditions required for the performance of his duties or if he has been guilty of serious misconduct, the Court of Justice may, on application by the Council or the Commission, compulsorily retire him.

In such a case the Council may, acting unanimously and as a provisional measure, suspend the member from office and make provision for his replacement pending the ruling of the Court of Justice.

The Court of Justice may, on application by the Council or the Commission, provisionally suspend the member from office.

ARTICLE 161

The President and the two Vice-Presidents of the Commission shall be appointed from among its members for a term of two years in accordance with the same procedure as that laid down for the appointment of members of the Commission. Their appointments may be renewed.

Save where the entire Commission is replaced, such appointments shall be made after the Commission has been consulted.

In the event of retirement or death, the President and the Vice-Presidents shall be replaced for the remainder of their term of office in accordance with the provisions of the first paragraph.

ARTICLE 162

The Council and the Commission shall consult each other and shall settle by common accord their methods of cooperation.

The Commission shall adopt its rules of procedure so as to ensure that both it and its departments operate in accordance with the provisions of this Treaty. It shall ensure that these rules of procedure are published.

ARTICLE 163

The Commission shall act by a majority of the number of members provided for in Article 157.

A meeting of the Commission shall be valid only if the number of members provided for in its rules of procedure is present.

Section 4

The Court of Justice

ARTICLE 164

The Court of Justice shall ensure that in the interpretation and application of this Treaty the law is observed.

ARTICLE 165

The Court of Justice shall consist of seven Judges.

The Court of Justice shall sit in plenary session. It may, however, form chambers, each consisting of three or five Judges, either to undertake certain preparatory inquiries or to adjudicate on particular categories of cases in accordance with rules laid down for these purposes.

Whenever the Court of Justice hears cases brought before it by a Member State or by one of the institutions of the Community or has to give preliminary rulings on questions submitted to it pursuant to Article 177, it shall sit in plenary session.

Should the Court of Justice so request, the Council may, acting unanimously, increase the number of Judges and make the necessary adjustments to the second and third paragraphs of this Article and to the second paragraph of Article 167.

ARTICLE 166

The Court of Justice shall be assisted by two Advocates-General.

It shall be the duty of the Advocate-General, acting with complete impartiality and independence, to make, in open court, reasoned submissions on cases brought before the Court of Justice, in order to assist the Court in the performance of the task assigned to it in Article 164.

Should the Court of Justice so request, the Council may, acting unanimously, increase the number of Advocates-General and make the necessary adjustments to the third paragraph of Article 167.

ARTICLE 167

The Judges and Advocates-General shall be chosen from persons whose independence is beyond doubt and who possess the qualifications required for appointment to the highest judicial offices in their respective countries or who are jurisconsults of recognised competence; they shall be appointed by common accord of the Governments of the Member States for a term of six years.

Every three years there shall be a partial replacement of the Judges. Three and four Judges shall be replaced alternately. The three Judges whose terms of office are to expire at the end of the first three years shall be chosen by lot.

Every three years there shall be a partial replacement of the Advocates-General. The Advocate-General whose term of office is to expire at the end of the first three years shall be chosen by lot.

Retiring Judges and Advocates-General shall be eligible for reappointment.

The Judges shall elect the President of the Court of Justice from among their number for a term of three years. He may be re-elected.

ARTICLE 168

The Court of Justice shall appoint its Registrar and lay down the rules governing his service.

ARTICLE 169

If the Commission considers that a Member State has failed to fulfil an obligation under this Treaty, it shall deliver a reasoned opinion on the matter after giving the State concerned the opportunity to submit its observations.

If the State concerned does not comply with the opinion within the period laid down by the Commission, the latter may bring the matter before the Court of Justice.

ARTICLE 170

A Member State which considers that another Member State has failed to fulfil an obligation under this Treaty may bring the matter before the Court of Justice.

Before a Member State brings an action against another Member State for an alleged infringement of an obligation under this Treaty, it shall bring the matter before the Commission.

The Commission shall deliver a reasoned opinion after each of the States concerned has been given the opportunity to submit its own case and its observations on the other party's case both orally and in writing.

If the Commission has not delivered an opinion within three months of the date on which the matter was brought before it, the absence of such opinion shall not prevent the matter from being brought before the Court of Justice.

ARTICLE 171

If the Court of Justice finds that a Member State has failed to fulfil an obligation under this Treaty, the State shall be required to take the necessary measures to comply with the judgment of the Court of Justice.

ARTICLE 172

Regulations made by the Council pursuant to the provisions of this Treaty may give the Court of Justice unlimited jurisdiction in regard to the penalties provided for in such regulations.

ARTICLE 173

The Court of Justice shall review the legality of acts of the Council and the Commission other than recommendations or opinions. It shall for this purpose have jurisdiction in actions brought by a Member State, the Council or the Commission on grounds of lack of competence, infringement of an essential procedural requirement, infringement of this Treaty or of any rule of law relating to its application, or misuse of powers.

Any natural or legal person may, under the same conditions, institute proceedings against a decision addressed to that person or against a decision which, although in the form of a regulation or a decision addressed to another person, is of direct and individual concern to the former.

The proceedings provided for in this Article shall be instituted within two months of the publication of the measure, or of its notification to the plaintiff, or, in the absence thereof, of the day on which it came to the knowledge of the latter, as the case may be.

ARTICLE 174

If the action is well founded, the Court of Justice shall declare the act concerned to be void.

In the case of a regulation, however, the Court of Justice shall, if it considers this necessary, state which of the effects of the regulation which it has declared void shall be considered as definitive.

ARTICLE 175

Should the Council or the Commission, in infringement of this Treaty, fail to act, the Member States and the other institutions of the Community may bring an action before the Court of Justice to have the infringement established.

The action shall be admissible only if the institution concerned has first been called upon to act. If, within two months of being so called upon, the institution concerned has not defined its position, the action may be brought within a further period of two months.

Any natural or legal person may, under the conditions laid down in the preceding paragraphs, complain to the Court of Justice that an institution of the Community has failed to address to that person any act other than a recommendation or an opinion.

ARTICLE 176

The institution whose act has been declared void or whose failure to act has been declared contrary to this Treaty shall be required to take the necessary measures to comply with the judgment of the Court of Justice.

This obligation shall not affect any obligation which may result from the application of the second paragraph of Article 215.

ARTICLE 177

The Court of Justice shall have jurisdiction to give preliminary rulings concerning :

- (a) the interpretation of this Treaty;
- (b) the validity and interpretation of acts of the institutions of the Community;

(c) the interpretation of the statutes of bodies established by an act of the Council, where those statutes so provide.

Where such a question is raised before any court or tribunal of a Member State, that court or tribunal may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court of Justice to give a ruling thereon.

Where any such question is raised in a case pending before a court or tribunal of a Member State, against whose decisions there is no judicial remedy under national law, that court or tribunal shall bring the matter before the Court of Justice.

ARTICLE 178

The Court of Justice shall have jurisdiction in disputes relating to the compensation for damage provided for in the second paragraph of Article 215.

ARTICLE 179

The Court of Justice shall have jurisdiction in any dispute between the Community and its servants within the limits and under the conditions laid down in the Staff Regulations or the Conditions of Employment.

ARTICLE 180

The Court of Justice shall, within the limits hereinafter laid down, have jurisdiction in disputes concerning :

(a) the fulfilment by Member States of obligations under the Statute of the European Investment Bank. In this connection, the Board of Directors of the Bank shall enjoy the powers conferred upon the Commission by Article 169;

(b) measures adopted by the Board of Governors of the Bank. In this connection, any Member State, the Commission or the Board of Directors of the Bank may institute proceedings under the conditions laid down in Article 173;

(c) measures adopted by the Board of Directors of the Bank. Proceedings against such measures may be instituted only by Member States or by the Commission, under the conditions laid down in Article 173, and solely on the grounds of non-compliance with the procedure provided for in Article 21 (2), (5), (6) and (7) of the Statute of the Bank.

ARTICLE 181

The Court of Justice shall have jurisdiction to give judgment pursuant to any arbitration clause contained in a contract concluded by or on behalf of the Community, whether that contract be governed by public or private law.

ARTICLE 182

The Court of Justice shall have jurisdiction in any dispute between Member States which relates to the subject matter of this Treaty if the dispute is submitted to it under a special agreement between the parties.

ARTICLE 183

Save where jurisdiction is conferred on the Court of Justice by this Treaty, disputes to which the Community is a party shall not on that ground be excluded from the jurisdiction of the courts or tribunals of the Member States.

ARTICLE 184

Notwithstanding the expiry of the period laid down in the third paragraph of Article 173, any party may, in proceedings in which a regulation of the Council or of the Commission is in issue, plead the grounds specified in the first paragraph of Article 173, in order to invoke before the Court of Justice the inapplicability of that regulation.

ARTICLE 185

Actions brought before the Court of Justice shall not have suspensory effect. The Court of Justice may, however, if it considers that circumstances so require, order that application of the contested act be suspended.

ARTICLE 186

The Court of Justice may in any cases before it prescribe any necessary interim measures.

ARTICLE 187

The judgments of the Court of Justice shall be enforceable under the conditions laid down in Article 192.

ARTICLE 188

The Statute of the Court of Justice is laid down in a separate Protocol.

The Court of Justice shall adopt its rules of procedure. These shall require the unanimous approval of the Council.

Chapter 2

PROVISIONS COMMON TO SEVERAL INSTITUTIONS

ARTICLE 189

In order to carry out their task the Council and the Commission shall, in accordance with the provisions of this Treaty, make regulations, issue directives, take decisions, make recommendations or deliver opinions.

A regulation shall have general application. It shall be binding in its entirety and directly applicable in all Member States.

A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods.

A decision shall be binding in its entirety upon those to whom it is addressed.

Recommendations and opinions shall have no binding force.

ARTICLE 190

Regulations, directives and decisions of the Council and of the Commission shall state the reasons on which they are based and shall refer to any proposals or opinions which were required to be obtained pursuant to this Treaty.

ARTICLE 191

Regulations shall be published in the Official Journal of the Community. They shall enter into force on the date specified in them or, in the absence thereof, on the twentieth day following their publication.

Directives and decisions shall be notified to those to whom they are addressed and shall take effect upon such notification.

ARTICLE 192

Decisions of the Council or of the Commission which impose a pecuniary obligation on persons other than States shall be enforceable.

Enforcement shall be governed by the rules of civil procedure in force in the State in the territory of which it is carried out. The order for its enforcement shall be appended to the decision, without other formality than verification of the authenticity of the decision, by the national authority which the Government of each Member State shall designate for this purpose and shall make known to the Commission and to the Court of Justice.

When these formalities have been completed on application by the party concerned, the latter may proceed to enforcement in accordance with the national law, by bringing the matter directly before the competent authority.

Enforcement may be suspended only by a decision of the Court of Justice. However, the courts of the country concerned shall have jurisdiction over complaints that enforcement is being carried out in an irregular manner.

Chapter 3

THE ECONOMIC AND SOCIAL COMMITTEE

ARTICLE 193

An Economic and Social Committee is hereby established. It shall have advisory status.

The Committee shall consist of representatives of the various categories of economic and social activity, in particular, representatives of producers, farmers, carriers, workers, dealers, craftsmen, professional occupations and representatives of the general public.

ARTICLE 194

The number of members of the Committee shall be as follows :

Belgium	12
Germany	24
France	24
Italy	24
Luxembourg	5
Netherlands	12

The members of the Committee shall be appointed by the Council, acting unanimously, for four years. Their appointments shall be renewable.

The members of the Committee shall be appointed in their personal capacity and may not be bound by any mandatory instructions.

ARTICLE 195

1. For the appointment of the members of the Committee, each Member State shall provide the Council with a list containing twice as many candidates as there are seats allotted to its nationals.

The composition of the Committee shall take account of the need to ensure adequate representation of the various categories of economic and social activity.

2. The Council shall consult the Commission. It may obtain the opinion of European bodies which are representative of the various economic and social sectors to which the activities of the Community are of concern.

ARTICLE 196

The Committee shall elect its chairman and officers from among its members for a term of two years.

It shall adopt its rules of procedure and shall submit them to the Council for its approval, which must be unanimous.

The Committee shall be convened by its chairman at the request of the Council or of the Commission.

ARTICLE 197

The Committee shall include specialised sections for the principal fields covered by this Treaty.

In particular, it shall contain an agricultural section and a transport section, which are the subject of special provisions in the Titles relating to agriculture and transport.

These specialised sections shall operate within the general terms of reference of the Committee. They may not be consulted independently of the Committee.

Sub-committees may also be established within the Committee to prepare, on specific questions or in specific fields, draft opinions to be submitted to the Committee for its consideration.

The rules of procedure shall lay down the methods of composition and the terms of reference of the specialised sections and of the subcommittees.

ARTICLE 198

The Committee must be consulted by the Council or by the Commission where this Treaty so provides. The Committee may be consulted by these institutions in all cases in which they consider it appropriate.

The Council or the Commission shall, if it considers it necessary, set the Committee, for the submission of its opinion, a time limit which may not be less than ten days from the date on which the chairman receives notification to this effect. Upon expiry of the time limit, the absence of an opinion shall not prevent further action.

The opinion of the Committee and that of the specialised section, together with a record of the proceedings, shall be forwarded to the Council and to the Commission.

TITLE II

Financial Provisions

ARTICLE 199

All items of revenue and expenditure of the Community, including those relating to the European Social Fund, shall be included in estimates to be drawn up for each financial year and shall be shown in the budget.

The revenue and expenditure shown in the budget shall be in balance.

ARTICLE 200

1. The budget revenue shall include, irrespective of any other revenue, financial contributions of Member States on the following scale :

Belgium	7.9
Germany	28
France	28
Italy	28
Luxembourg	0.2
Netherlands	7.9

2. The financial contributions of Member States to cover the expenditure of the European Social Fund, however, shall be determined on the following scale :

Belgium	8.8
Germany	32
France	32
Italy	20
Luxembourg	0.2
Netherlands	7

3. The scales may be modified by the Council, acting unanimously.

ARTICLE 201

The Commission shall examine the conditions under which the financial contributions of Member States provided for in Article 200 could be replaced by the Community's own resources, in particular by revenue accruing from the common customs tariff when it has been finally introduced.

To this end, the Commission shall submit proposals to the Council.

After consulting the Assembly on these proposals the Council may, acting unanimously, lay down the appropriate provisions, which it shall recommend to the Member States for adoption in accordance with their respective constitutional requirements.

ARTICLE 202

The expenditure shown in the budget shall be authorised for one financial year, unless the regulations made pursuant to Article 209 provide otherwise.

In accordance with conditions to be laid down pursuant to Article 209, any appropriations, other than those relating to staff expenditure, that are unexpended at the end of the financial year may be carried forward to the next financial year only.

Appropriations shall be classified under different chapters grouping items of expenditure according to their nature or purpose and subdivided, as far as may be necessary, in accordance with the regulations made pursuant to Article 209.

The expenditure of the Assembly, the Council, the Commission and the Court of Justice shall be set out in separate parts of the budget, without prejudice to special arrangements for certain common items of expenditure.

ARTICLE 203

1. The financial year shall run from 1 January to 31 December.
2. Each institution of the Community shall draw up estimates of its expenditure. The Commission shall consolidate these estimates in a preliminary draft budget. It shall attach thereto an opinion which may contain different estimates.

The Commission shall place the preliminary draft budget before the Council not later than 30 September of the year preceding that in which the budget is to be implemented.

The Council shall consult the Commission and, where appropriate, the other institutions concerned whenever it intends to depart from the preliminary draft budget.

3. The Council shall, acting by a qualified majority, establish the draft budget and then forward it to the Assembly.

The draft budget shall be placed before the Assembly not later than 31 October of the year preceding that in which the budget is to be implemented.

The Assembly shall have the right to propose to the Council modifications to the draft budget.

4. If, within one month of the draft budget being placed before it, the Assembly has given its approval or has not forwarded its opinion to the Council, the draft budget shall be deemed to be finally adopted.

If within this period the Assembly has proposed modifications, the draft budget so modified shall be forwarded to the Council. The Council shall discuss it with the Commission and, where appropriate, with the other institutions concerned, and shall finally adopt the budget, acting by a qualified majority.

5. For the adoption of the part of the budget relating to the European Social Fund, the votes of the members of the Council shall be weighted as follows :

Belgium	8
Germany	32
France	32
Italy	20
Luxembourg	1
Netherlands	7

For their adoption, acts of the Council shall require at least 67 votes cast in their favour.

ARTICLE 204

If, at the beginning of a financial year, the budget has not yet been voted, a sum equivalent to not more than one twelfth of the budget appropriations for the preceding financial year may be spent each month in respect of any chapter or other sub-division of the budget in accordance with the provisions of the regulations made pursuant to Article 209; this arrangement shall not, however, have the effect of placing at the disposal of the Commission appropriations in excess of one twelfth of those provided for in the draft budget in course of preparation.

The Council may, acting by a qualified majority, provided that the other conditions laid down in the first paragraph are observed, authorise expenditure in excess of one twelfth.

Member States shall pay every month, on a provisional basis and in accordance with the scales laid down for the preceding financial year, the amounts necessary to ensure application of this Article.

ARTICLE 205

The Commission shall implement the budget, in accordance with the provisions of the regulations made pursuant to Article 209, on its own responsibility and within the limits of the appropriations.

The regulations shall lay down detailed rules for each institution concerning its part in effecting its own expenditure.

Within the budget, the Commission may, subject to the limits and conditions laid down in the regulations made pursuant to Article 209, transfer appropriations from one chapter to another or from one sub-division to another.

ARTICLE 206

The accounts of all revenue and expenditure shown in the budget shall be examined by an Audit Board consisting of auditors whose independence is beyond doubt, one of whom shall be chairman. The Council shall, acting unanimously, determine the number of the auditors. The auditors and the chairman of the Audit Board shall be appointed by the Council, acting unanimously, for a period of five years. Their remuneration shall be determined by the Council, acting by a qualified majority.

The purpose of the audit, which shall be based on records and, if necessary, performed on the spot, shall be to establish that all revenue has been received and all expenditure incurred in a lawful and regular manner and that the financial management has been sound. After the close of each financial year, the Audit Board shall draw up a report, which shall be adopted by a majority of its members.

The Commission shall submit annually to the Council and to the Assembly the accounts of the preceding financial year relating to the implementation

of the budget, together with the report of the Audit Board. The Commission shall also forward to them a financial statement of the assets and liabilities of the Community.

The Council shall, acting by a qualified majority, give a discharge to the Commission in respect of the implementation of the budget. It shall communicate its decision to the Assembly.

ARTICLE 207

The budget shall be drawn up in the unit of account determined in accordance with the provisions of the regulations made pursuant to Article 209.

The financial contributions provided for in Article 200 (1) shall be placed at the disposal of the Community by the Member States in their national currencies.

The available balances of these contributions shall be deposited with the Treasuries of Member States or with bodies designated by them. While on deposit, such funds shall retain the value corresponding to the parity, at the date of deposit, in relation to the unit of account referred to in the first paragraph.

The balances may be invested on terms to be agreed between the Commission and the Member State concerned.

The regulations made pursuant to Article 209 shall lay down the technical conditions under which financial operations relating to the European Social Fund shall be carried out.

ARTICLE 208

The Commission may, provided it notifies the competent authorities of the Member States concerned, transfer into the currency of one of the Member States its holdings in the currency of another Member State, to the extent necessary to enable them to be used for purposes which come within the scope of this Treaty. The Commission shall as far as possible avoid making such transfers if it possesses cash or liquid assets in the currencies which it needs.

The Commission shall deal with each Member State through the authority designated by the State concerned. In carrying out financial operations the Commission shall employ the services of the bank of issue of the Member State concerned or of any other financial institution approved by that State.

ARTICLE 209

The Council shall, acting unanimously on a proposal from the Commission:

(a) make financial regulations specifying in particular the procedure to be adopted for establishing and implementing the budget and for presenting and auditing accounts;

(b) determine the methods and procedure whereby the contributions of Member States shall be made available to the Commission;

(c) lay down rules concerning the responsibility of authorising officers and accounting officers and concerning appropriate arrangements for inspection.

PART SIX

GENERAL AND FINAL PROVISIONS

I/E

ARTICLE 210

The Community shall have legal personality.

ARTICLE 211

In each of the Member States, the Community shall enjoy the most extensive legal capacity accorded to legal persons under their laws; it may, in particular, acquire or dispose of movable and immovable property and may be a party to legal proceedings. To this end, the Community shall be represented by the Commission.

ARTICLE 212

The Council shall, acting unanimously, in cooperation with the Commission and after consulting the other institutions concerned, lay down the Staff Regulations of officials and the Conditions of Employment of other servants of the Community.

After this Treaty has been in force for four years, the Staff Regulations and Conditions of Employment may be amended by the Council, acting by a qualified majority on a proposal from the Commission and after consulting the other institutions concerned.

ARTICLE 213

The Commission may, within the limits and under the conditions laid down by the Council in accordance with the provisions of this Treaty, collect any information and carry out any checks required for the performance of the tasks entrusted to it.

ARTICLE 214

The members of the institutions of the Community, the members of committees, and the officials and other servants of the Community shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy, in particular information about undertakings, their business relations or their cost components.

ARTICLE 215

The contractual liability of the Community shall be governed by the law applicable to the contract in question.

In the case of non-contractual liability, the Community shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by its institutions or by its servants in the performance of their duties.

The personal liability of its servants towards the Community shall be governed by the provisions laid down in their Staff Regulations or in the Conditions of Employment applicable to them.

ARTICLE 216

The seat of the institutions of the Community shall be determined by common accord of the Governments of the Member States.

ARTICLE 217

The rules governing the languages of the institutions of the Community shall, without prejudice to the provisions contained in the rules of procedure of the Court of Justice, be determined by the Council, acting unanimously.

ARTICLE 218

The Community shall enjoy in the territories of the Member States such privileges and immunities as are necessary for the performance of its tasks, under the conditions laid down in a separate Protocol.

ARTICLE 219

Member States undertake not to submit a dispute concerning the interpretation or application of this Treaty to any method of settlement other than those provided for therein.

ARTICLE 220

Member States shall, so far as is necessary, enter into negotiations with each other with a view to securing for the benefit of their nationals :

- the protection of persons and the enjoyment and protection of rights under the same conditions as those accorded by each State to its own nationals;
- the abolition of double taxation within the Community;
- the mutual recognition of companies or firms within the meaning of the second paragraph of Article 58, the retention of legal personality in the event of transfer of their seat from one country to another, and the possibility of mergers between companies or firms governed by the laws of different countries;
- the simplification of formalities governing the reciprocal recognition and enforcement of judgments of courts or tribunals and of arbitration awards.

ARTICLE 221

Within three years of the entry into force of this Treaty, Member States shall accord nationals of the other Member States the same treatment as their own nationals as regards participation in the capital of companies or firms within the meaning of Article 58, without prejudice to the application of the other provisions of this Treaty.

ARTICLE 222

This Treaty shall in no way prejudice the rules in Member States governing the system of property ownership.

ARTICLE 223

1. The provisions of this Treaty shall not preclude the application of the following rules :

(a) No Member State shall be obliged to supply information the disclosure of which it considers contrary to the essential interests of its security;

(b) Any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the common market regarding products which are not intended for specifically military purposes.

2. During the first year after the entry into force of this Treaty, the Council shall, acting unanimously, draw up a list of products to which the provisions of paragraph 1 (b) shall apply.

3. The Council may, acting unanimously on a proposal from the Commission, make changes in this list.

ARTICLE 224

Member States shall consult each other with a view to taking together the steps needed to prevent the functioning of the common market being affected by measures which a Member State may be called upon to take in the event of serious internal disturbances affecting the maintenance of law and order, in the event of war serious international tension constituting a threat of war, or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

ARTICLE 225

If measures taken in the circumstances referred to in Articles 223 and 224 have the effect of distorting the conditions of competition in the common market, the Commission shall, together with the State concerned, examine how these measures can be adjusted to the rules laid down in this Treaty.

By way of derogation from the procedure laid down in Articles 169 and 170, the Commission or any Member State may bring the matter directly before the Court of Justice if it considers that another Member State is making improper use of the powers provided for in Articles 223 and 224. The Court of Justice shall give its ruling in camera.

ARTICLE 226

1. If, during the transitional period, difficulties arise which are serious and liable to persist in any sector of the economy or which could bring about serious deterioration in the economic situation of a given area, a Member State may apply for authorisation to take protective measures in order to rectify the situation and adjust the sector concerned to the economy of the common market.

2. On application by the State concerned, the Commission shall, by emergency procedure, determine without delay the protective measures which it considers necessary, specifying the circumstances and the manner in which they are to be put into effect.

3. The measures authorised under paragraph 2 may involve derogations from the rules of this Treaty, to such an extent and for such periods as are strictly necessary in order to attain the objectives referred to in paragraph 1. Priority shall be given to such measures as will least disturb the functioning of the common market.

ARTICLE 227

1. This Treaty shall apply to the Kingdom of Belgium, the Federal Republic of Germany, the French Republic, the Italian Republic, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands.

2. With regard to Algeria and the French overseas departments, the general and particular provisions of this Treaty relating to :

- the free movement of goods;
- agriculture, save for Article 40(4);
- the liberalisation of services;
- the rules on competition;
- the protective measures provided for in Articles 108, 109 and 226;
- the institutions;

shall apply as soon as this Treaty enters into force.

The conditions under which the other provisions of this Treaty are to apply shall be determined, within two years of the entry into force of this Treaty, by decisions of the Council, acting unanimously on a proposal from the Commission.

The institutions of the Community will, within the framework of the procedures provided for in this Treaty, in particular Article 226, take care that the economic and social development of these areas is made possible.

3. The special arrangements for association set out in Part Four of this Treaty shall apply to the overseas countries and territories listed in Annex IV to this Treaty.

4. The provisions of this Treaty shall apply to the European territories for whose external relations a Member State is responsible.

ARTICLE 228

1. Where this Treaty provides for the conclusion of agreements between the Community and one or more States or an international organisation, such agreements shall be negotiated by the Commission. Subject to the powers vested in the Commission in this field, such agreements shall be concluded by the Council, after consulting the Assembly where required by this Treaty.

The Council, the Commission or a Member State may obtain beforehand the opinion of the Court of Justice as to whether an agreement envisaged is compatible with the provisions of this Treaty. Where the opinion of the Court of Justice is adverse, the agreement may enter into force only in accordance with Article 236.

2. Agreements concluded under these conditions shall be binding on the institutions of the Community and on Member States.

ARTICLE 229

It shall be for the Commission to ensure the maintenance of all appropriate relations with the organs of the United Nations, of its specialised agencies and of the General Agreement on Tariffs and Trade.

The Commission shall also maintain such relations as are appropriate with all international organisations.

ARTICLE 230

The Community shall establish all appropriate forms of cooperation with the Council of Europe.

ARTICLE 231

The Community shall establish close cooperation with the Organisation for European Economic Cooperation, the details to be determined by common accord.

ARTICLE 232

1. The provisions of this Treaty shall not affect the provisions of the Treaty establishing the European Coal and Steel Community, in particular as regards the rights and obligations of Member States, the powers of the institutions of that Community and the rules laid down by that Treaty for the Functioning of the common market in coal and steel.

2. The provisions of this Treaty shall not derogate from those of the Treaty establishing the European Atomic Energy Community.

ARTICLE 233

The provisions of this Treaty shall not preclude the existence or completion of regional unions between Belgium and Luxembourg, or between Belgium, Luxembourg and the Netherlands, to the extent that the objectives of these regional unions are not attained by application of this Treaty.

ARTICLE 234

The rights and obligations arising from agreements concluded before the entry into force of this Treaty between one or more Member States on the one hand, and one or more third countries on the other, shall not be affected by the provisions of this Treaty.

To the extent that such agreements are not compatible with this Treaty, the Member State or States concerned shall take all appropriate steps to eliminate the incompatibilities established. Member States shall, where necessary, assist each other to this end and shall, where appropriate, adopt a common attitude.

In applying the agreements referred to in the first paragraph, Member States shall take into account the fact that the advantages accorded under this Treaty by each Member State form an integral part of the establishment of the Community and are thereby inseparably linked with the creation of common institutions, the conferring of powers upon them and the granting of the same advantages by all the other Member States.

ARTICLE 235

If action by the Community should prove necessary to attain, in the course of the operation of the common market, one of the objectives of the Community and this Treaty has not provided the necessary powers, the Council shall, acting unanimously on a proposal from the Commission and after consulting the Assembly, take the appropriate measures.

ARTICLE 236

The Government of any Member State or the Commission may submit to the Council proposals for the amendment of this Treaty.

If the Council, after consulting the Assembly and, where appropriate, the Commission, delivers an opinion in favour of calling a conference of representatives of the Governments of the Member States, the conference shall be convened by the President of the Council for the purpose of determining by common accord the amendments to be made to this Treaty.

The amendments shall enter into force after being ratified by all the Member States in accordance with their respective constitutional requirements.

ARTICLE 237

Any European State may apply to become a member of the Community. It shall address its application to the Council, which shall act unanimously after obtaining the opinion of the Commission.

The conditions of admission and the adjustments to this Treaty necessitated thereby shall be the subject of an agreement between the Member States and the applicant State. This agreement shall be submitted for ratification by all the Contracting States in accordance with their respective constitutional requirements.

ARTICLE 238

The Community may conclude with a third State, a union of States or an international organisation agreements establishing an association involving reciprocal rights and obligations, common action and special procedures.

These agreements shall be concluded by the Council, acting unanimously after consulting the Assembly.

Where such agreements call for amendments to this Treaty, these amendments shall first be adopted in accordance with the procedure laid down in Article 236.

ARTICLE 239

The Protocols annexed to this Treaty by common accord of the Member States shall form an integral part thereof.

ARTICLE 240

This Treaty is concluded for an unlimited period.

SETTING UP OF THE INSTITUTIONS

ARTICLE 241

The Council shall meet within one month of the entry into force of this Treaty.

ARTICLE 242

The Council shall, within three months of its first meeting, take all appropriate measures to constitute the Economic and Social Committee.

ARTICLE 243

The Assembly shall meet within two months of the first meeting of the Council, having been convened by the President of the Council, in order to elect its officers and draw up its rules of procedure. Pending the election of its officers, the oldest member shall take the chair.

ARTICLE 244

The Court of Justice shall take up its duties as soon as its members have been appointed. Its first President shall be appointed for three years in the same manner as its members.

The Court of Justice shall adopt its rules of procedure within three months of taking up its duties.

No matter may be brought before the Court of Justice until its rules of procedure have been published. The time within which an action must be brought shall run only from the date of this publication.

Upon his appointment, the President of the Court of Justice shall exercise the powers conferred upon him by this Treaty.

ARTICLE 245

The Commission shall take up its duties and assume the responsibilities conferred upon it by this Treaty as soon as its members have been appointed.

Upon taking up its duties, the Commission shall undertake the studies and arrange the contacts needed for making an overall survey of the economic situation of the Community.

ARTICLE 246

1. The first financial year shall run from the date on which this Treaty enters into force until 31 December following. Should this Treaty, however, enter into force during the second half of the Year, the first financial year shall run until 31 December of the following year.

2. Until the budget for the first financial year has been established, Member States shall make the Community interest-free advances which shall be deducted from their financial contributions to the implementation of the budget.

3. Until the Staff Regulations of officials and the Conditions of Employment of other servants of the Community provided for in Article 212 have been laid down, each institution shall recruit the Staff it needs and to this end conclude contracts of limited duration.

Each institution shall examine together with the Council any question concerning the number, remuneration and distribution of posts.

FINAL PROVISIONS

ARTICLE 247

This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. The instruments of ratification shall be deposited with the Government of the Italian Republic.

This Treaty shall enter into force on the first day of the month following the deposit of the instrument of ratification by the last signatory State to take this step. If, however, such deposit is made less than fifteen days before the beginning of the following month, this Treaty shall not enter into force until the first day of the second month after the date of such deposit.

ARTICLE 248

This Treaty, drawn up in a single original in the Dutch, French, German and Italian languages, all four texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic, which shall transmit a certified copy to each of the Governments of the other signatory States.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have signed this Treaty.

DONE at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

ANNEXES

I/E

I

Lists

I/E

169-170

ANNEX I

LISTS A TO G

referred to in Articles 19 and 20 of this Treaty

LIST A

List of tariff headings in respect of which the rates of duty listed in column 3 below are to be taken into account in calculating the arithmetical average

- 1 -	- 2 -	- 3 -
No. in the Brussels Nomenclature	Description of products	Duty (in %) to be taken into account for France
ex 15.10	Acid oils from refining	18
15.11	Glycerol and glycerol lyes :	
	Crude	6
	Purified	10
19.04	Tapioca and sago; tapioca and sago substitutes obtained from potato or other starches	45
ex 28.28	Vanadic pentoxide	15
ex 28.37	Neutral sodium sulphite	20
ex 28.52	Cerium chlorides; cerium sulphates	20
ex 29.01	Aromatic hydrocarbons :	
	Xylenes :	
	Mixed isomers	20
	Orthoxylene, metaxylene, paraxylene	25
	Styrene monomer	20
	Isopropylbenzene (cumene)	25

- 1 -	- 2 -	- 3 -
No. in the Brussels Nomenclature	Description of products	Duty (in %) to be taken into account for France
ex 29.02	Dichloromethane	20
	Vinylidene chloride monomer	25
ex 29.03	Tolueneparasulphonyl chloride	15
ex 29.15	Dimethyl terephthalate	30
ex 29.22	Ethylenediamine and its salts	20
ex 29.23	Cyclic amino-aldehydes, cyclic amino- ketones and amino-quinones, their halogenated, sulphonated, nitrated or nitrosated derivatives, and their salts and esters	25
ex 29.25	Homoveratrylamine	25
29.28	Diazo-, azo- and azoxy-compounds	25
ex 29.31	Disulphide of chlorinated benzyl	25
ex 29.44	Antibiotics (other than penicillin, streptomycin, chloramphenicol and their salts, and aureomycin)	15
ex 30.02	Foot-and-mouth vaccines, strains of micro- organisms for their manufacture; antisera and vaccines against swine fever	15
ex 30.03	Sarkomycin	18
ex 31.02	Mineral or chemical fertilisers, nitrogenous, composite	20
ex 31.03	Mineral or chemical fertilisers, phosphatic :	
	Single :	
	Superphosphates :	
	Of bone	10
	Other	12
	Mixed	7

- 1 -	- 2 -	- 3 -
No. in the Brussels Nomenclature	Description of products	Duty (in %) to be taken into account for France
ex 31.04	Mineral or chemical fertilisers, potassic, mixed	7
ex 31.05	Other fertilisers, including both composite and complex fertilisers :	
	Phosphor nitrates and ammonium-potassium phosphates	10
	Other fertilisers, excluding dissolved organic fertilisers	7
	Fertilisers in tablets, lozenges and similar prepared forms or in packings of a gross weight not exceeding ten kilogrammes	15
ex 32.07	Natural magnetite, finely ground, of a kind used for pigments, intended exclusively for cleaning coal	25
ex 37.02	Film in rolls, sensitised, unexposed, perforated :	
	For monochrome pictures (positives), imported in packages containing three units not separately utilisable, to form the base for a polychrome film	20
	For polychrome pictures exceeding 100 metres in length	20
ex 39.02	Polyvinylidene chloride; polyvinyl butyral in sheets	30
ex 39.03	Cellulose esters, excluding nitrates and acetates	20
	Plastic materials with a basis of cellulose esters (other than nitrates and acetates)	15
	Plastic materials with a basis of ethers or other chemical derivatives of cellulose	30
ex 39.06	Alginic acid, its salts and esters, dry	20

- 1 -	- 2 -	- 3 -
No. in the Brussels Nomenclature	Description of products	Duty (in %) to be taken into account for France
ex 48.01	Paper and paperboard, machine-made :	
	Kraft paper and kraft paperboard	25
	Other, continuously made, consisting of two or more layers, with kraft paper inside	25
48.04	Composite paper or paperboard (made by sticking flat layers together with an adhesive), not surface-coated or impregnated, whether or not internally reinforced, in rolls or sheets	25
ex 48.05	Paper and paperboard, corrugated	25
	Kraft paper and kraft paperboard, creped or crinkled	25
ex 48.07	Kraft paper and kraft paperboard, adhesive	25
ex 51.01	Yarn of man-made (regenerated) fibres (continuous), single, without twist or with a twist of less than 400 turns	20
ex 55.05	Cotton yarn, multiple, other than fancy yarn, unbleached, measuring 337,500 metres or more per kilogramme in the single yarn	20
ex 57.07	Yarn of coir	18
ex 58.01	Carpets, carpeting and rugs, knotted, of silk, of silk waste other than noil, of man-made (synthetic) fibres, of yarn falling within heading No. 52.01, of metal thread, of wool or of fine animal hair	80
ex 59.04	Multiple yarn of coir	18
ex 71.04	Dust and powder of diamonds	10
ex 84.10	Pump housings or bodies, of steel other than stainless steel or of light metals or their alloys, for aircraft piston engines	15
ex 84.11	Pump or compressor housings or bodies, of steel other than stainless steel or of light metals or their alloys, for aircraft piston engines	15

- 1 -	- 2 -	- 3 -
No. in the Brussels Nomenclature	Description of products	Duty (in %) to be taken into account for France
ex 84.37	Machines for making plain or figured tulle, and lace	10
	Embroidery machines, other than thread drawing and binding machines (machines for making open-work embroidery)	10
ex 84.38	Auxiliary machinery for use with machines for making plain or figured tulle, and lace :	
	Slide-lifting machines	10
	Jacquards	18
	Auxiliary machinery for use with embroidery machines :	
	Automatic machines	18
	Card punching machines, card reproducing machines, control machines, spoolwinders	10
	Parts and accessories for machines for making plain or figured tulle, and lace, and for auxiliary machinery for such machines :	
	Slides, bobbins, combs, slide bars and ribs of combs for flat machines, battens (their plates and blades), complete bobbins and parts of battens and bobbins for circular machines	10
	Parts and accessories for embroidery machines and for auxiliary machinery for such machines :	
	Shuttles, shuttle-boxes including their plates; clips	10
ex 84.59	Coil-winders for winding conductor-wires and insulating or protecting tapes for the manu- facture of electric coils and windings	23
	Starters, direct drive or inertia, for aircraft	25
ex 84.63	Crankshafts for aircraft piston engines	10
ex 85.08	Starter motors for aircraft	20
	Ignition magnetos, including magneto-dynamos for aircraft	25

- 1 -

- 2 -

- 3 -

No. in the Brussels Nomenclature	Description of products	Duty (in %) to be taken into account for France
88.01	Balloons and airships	25
ex 88.03	Parts of balloons and airships	25
88.04	Parachutes and parts thereof and accessories thereto	12
88.05	Catapults and similar aircraft launching gear, and parts thereof	15
	Ground flying trainers and parts thereof	20
ex 90.14	Instruments for air navigation	18
ex 92.10	Mechanisms and keyboards (containing not less than 85 notes) for pianos	30

LIST B

List of tariff headings in respect of which the rates of
duty in the common customs tariff may not exceed 3%

- 1 -	- 2 -
No. in the Brussels Nomenclature	Description of products
<hr/>	
Chapter 5	
05.01	
05.02	
05.03	
05.05	
05.06	
ex 05.07	Feathers, skins and other parts of birds with their feathers or down, unworked (excluding bed feathers or down, unworked)
05.09	
to	
05.12	
ex 05.13	Natural sponges, raw
Chapter 13	
13.01	
13.02	
Chapter 14	
14.01	
to	
14.05	

No. in the
Brussels
Nomenclature

Description of products

Chapter 25

25.02	
ex 25.04	Natural graphite, not put up for retail sale
25.05	
25.06	
ex 25.07	Clay (other than kaolin), andalusite and kyanite, whether or not calcined, but not including expanded clays falling within heading No. 68.07; mullite; chamotte and dinas earths
ex 25.08	Chalk, not put up for retail sale
ex 25.09	Earth colours, not calcined or mixed; natural micaceous iron oxides
25.10	
25.11	
ex 25.12	Infusorial earths, siliceous fossil meals and similar siliceous earths (for example, kieselguhr, tripolite or diatomite) of an apparent density of 1 or less, whether or not calcined, not put up for retail sale
ex 25.13	Pumice stone, emery, natural corundum and other natural abrasives, not put up for retail sale
25.14	
ex 25.17	Flint; crushed or broken stone, macadam and tarred macadam, pebbles and gravel, of a kind commonly used for road metalling, for railway or other ballast or for concrete aggregates; shingle
ex 25.18	Dolomite, including dolomite not further worked than roughly split, roughly squared or squared by sawing
25.20	
25.21	
25.24	

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

25.25	
25.26	
ex 25.27	Natural steatite, including natural steatite not further worked than roughly split, roughly squared or squared by sawing; talc other than in packings of a net weight not exceeding one kilogramme
25.28	
25.29	
25.31	
25.32	
Chapter 26	
ex 26.01	Metallic ores and concentrates other than lead ores, zinc ores and products within the province of the European Coal and Steel Community; roasted iron pyrites
26.02	
ex 26.03	Ash and residues (other than from the manufacture of iron or steel), containing metals or metallic compounds, other than those containing zinc
26.04	
Chapter 27	
27.03	
ex 27.04	Coke and semi-coke of coal, for the manufacture of electrodes, and coke of peat
27.05	
27.05 (bis)	
27.06	
ex 27.13	Ozokerite, lignite wax and peat wax, crude

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

27.15

27.17

Chapter 31

31.01

ex 31.02

Natural sodium nitrate

Chapter 40

40.01

40.03

40.04

Chapter 41

41.09

Chapter 43

43.01

Chapter 44

44.01

Chapter 47

47.02

Chapter 50

50.01

Chapter 53

53.01

53.02

I/E

- 180 -

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

53.03	
53.05	
Chapter 55	
ex 55.02	Cotton linters, other than raw
55.04	
Chapter 57	
57.04	
Chapter 63	
63.02	
Chapter 70	
ex 70.01	Waste glass (cullet)
Chapter 71	
ex 71.01	Pearls, unworked
ex 71.02	Precious and semi-precious stones, unworked
71.04	
71.11	
Chapter 77	
ex 77.04	Beryllium, unwrought

LIST C

List of tariff headings in respect of which the rates of duty in the common customs tariff may not exceed 10 %

- 1 -	- 2 -
No. in the Brussels Nomenclature	Description of products
-----	-----
Chapter 5	
ex 05.07	Feathers, skins and other parts of birds with their feathers or down, other than unworked
05.14	
Chapter 13	
ex 13.03	Vegetable saps and extracts; agar-agar and other natural mucilages and thickeners extracted from vegetable materials (excluding pectin)
Chapter 15	
ex 15.04	Fats and oils, of fish and marine mammals, whether or not refined (excluding whale oil)
15.05	
15.06	
15.09	
15.11	
15.14	
Chapter 25	
ex 25.09	Earth colours, calcined or mixed

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

ex 25.15	Marble, travertine, ecaussine and other calcareous monumental and building stone of an apparent density of 2.5 or more and alabaster, not further worked than squared by sawing, of a thickness not exceeding 25 centimetres
ex 25.16	Granite, porphyry, basalt, sandstone and other monumental and building stone, not further worked than squared by sawing, of a thickness not exceeding 25 centimetres
ex 25.17	Granules, chippings and powder of stones falling within heading No. 25.15 or 25.16
ex 25.18	Dolomite, calcined or agglomerated (including tarred dolomite)
25.22	
25.23	
Chapter 27	
ex 27.07	Oils and other products of the distillation of high temperature coal tar, and other oils and products as defined in Note 2 to this Chapter, excluding phenols, cresols and xylenols
27.08	
ex 27.13	Ozokerite, lignite wax and peat wax, other than crude
ex 27.14	Petroleum bitumen and other petroleum and shale oil residues, excluding petroleum coke
27.16	
Chapter 30	
ex 30.01	Organo-therapeutic glands or other organs, dried, whether or not powdered
Chapter 32	
ex 32.01	Tanning extracts of vegetable origin, other than extracts of wattle (mimosa) and of quebracho
32.02	

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

32.03

32.04

Chapter 33

ex 33.01

Essential oils (terpeneless or not), concretes and
absolutes, other than those of citrus fruit; resinoids

33.02

33.03

33.04

Chapter 38

38.01

38.02

38.04

38.05

38.06

ex 38.07

Gum spirits of turpentine; sulphate turpentine, crude;
crude dipentene

38.08

38.10

Chapter 40

40.05

ex 40.07

Textile thread covered or impregnated with vulcanised
rubber

40.15

I/E

- 184 -

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

Chapter 41

41.02

ex 41.03

Sheep and lamb skin leather, further prepared
than tanned

ex 41.04

Goat and kid skin leather, further prepared than
tanned

41.05

41.06

41.07

41.10

Chapter 43

43.02

Chapter 44

44.06

to

44.13

44.16

44.17

44.18

Chapter 48

ex 48.01

Newsprint in rolls

Chapter 50

50.06

50.08

Chapter 52

52.01

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

Chapter 53

53.06

to

53.09

Chapter 54

54.03

Chapter 55

55.05

Chapter 57

ex 57.05

Yarn of true hemp, not put up for retail sale

ex 57.06

Yarn of jute, not put up for retail sale

ex 57.07

Yarn of other vegetable textile fibres, not put up
for retail sale

ex 57.08

Paper yarn, not put up for retail sale

Chapter 68

68.01

68.03

68.08

ex 68.10

Building materials of plastering material

ex 68.11

Building materials of cement (including slag cement),
of concrete or of artificial stone (including
granulated marble agglomerated with cement),
reinforced or not

ex 68.12

Building materials of asbestos-cement, of cellulose
fibre-cement or the like

ex 68.13

Fabricated asbestos; mixtures with a basis of asbestos
and mixtures with a basis of asbestos and magnesium
carbonate

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

Chapter 69

69.01

69.02

69.04

69.05

Chapter 70

ex 70.01 Glass in the mass (excluding optical glass)

70.02

70.03

70.04

70.05

70.06

70.16

Chapter 71

ex 71.05 Silver, unwrought

ex 71.06 Rolled silver, unworked

ex 71.07 Gold, unwrought

ex 71.08 Rolled gold on base metal or silver, unworked

ex 71.09 Platinum and other metals of the platinum group,
unwrought

ex 71.10 Rolled platinum or other platinum group metals, on base
metal or precious metal, unworked

Chapter 73

73.04

No. in the
Brussels
Nomenclature

Description of products

73.05	
ex 73.07	Blooms, billets, slabs and sheet bars (including tinsplate bars), of iron or steel (other than products within the province of the European Coal and Steel Community); pieces roughly shaped by forging, of iron or steel
ex 73.10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel (other than products within the province of the European Coal and Steel Community)
ex 73.11	Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements (other than products within the province of the European Coal and Steel Community)
ex 73.12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled (other than products within the province of the European Coal and Steel Community)
ex 73.13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled (other than products within the province of the European Coal and Steel Community)
73.14	
ex 73.15	Alloy steel and high carbon steel in the forms mentioned in headings Nos. 73.06 to 73.14 (other than products within the province of the European Coal and Steel Community)
Chapter 74	
74.03	
74.04	
ex 74.05	Copper foil, whether or not embossed, cut to shape, perforated, coated or printed, other than that backed with reinforcing material
ex 74.06	Copper powder (other than impalpable powder)

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

Chapter 75

75.02

75.03

ex 75.05 Electro-plating anodes, of nickel, unwrought, produced
by casting

Chapter 76

76.02

76.03

ex 76.04 Aluminium foil, whether or not embossed, cut to shape,
perforated, coated or printed, other than that backed
with reinforcing material

ex 76.05 Aluminium powder (other than impalpable powder)

Chapter 77

ex 77.02 Wrought bars, rods, angles, shapes and sections, of
magnesium; magnesium wire; wrought plates, sheets and
strip, of magnesium; magnesium foil; raspings and
shavings of uniform size; magnesium powder (other than
impalpable powder)

ex 77.04 Wrought bars, rods, angles, shapes and sections, of
beryllium; beryllium wire; wrought plates, sheets and
strip, of beryllium; beryllium foil

Chapter 78

78.02

78.03

ex 78.04 Leadfoil, whether or not embossed, cut to shape, per-
forated, coated or printed, other than that backed with
reinforcing material

Chapter 79

79.02

79.03

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

Chapter 80

80.02

80.03

ex 80.04

Tin foil, whether or not embossed, cut to shape, perforated, coated or printed, other than that backed with reinforcing material

Chapter 81

ex 81.01

Wrought bars, rods, angles, shapes and sections, of tungsten (wolfram); wrought plates, sheets and strip, of tungsten (wolfram); tungsten (wolfram) foil; wire and filament of tungsten (wolfram)

ex 81.02

Wrought bars, rods, angles, shapes and sections, of molybdenum; wrought plates, sheets and strip, of molybdenum; molybdenum foil; wire and filament of molybdenum

ex 81.03

Wrought bars, rods, angles, shapes and sections, of tantalum; wrought plates, sheets and strip, of tantalum; tantalum foil; wire and filament of tantalum

ex 81.04

Wrought bars, rods, angles, shapes and sections, of other base metals; wrought plates, sheets and strip, of other base metals; foil, wire and filament, of other base metals

Chapter 93

ex 93.06

Stocks and other wooden parts for guns

Chapter 95

ex 95.01

to

ex 95.07

Roughly shaped carving material, that is to say, plates, sheets, rods, tubes and similar forms, not polished or otherwise worked

Chapter 98

ex 98.11

Roughly shaped blocks of wood or root, for the manufacture of pipes

LIST D

List of tariff headings in respect of which the rates of duty in the common customs tariff may not exceed 15%

- 1 -	- 2 -
No. in the Brussels Nomenclature	Description of products
Chapter 28	Inorganic chemicals; organic and inorganic compounds of precious metals, of rare earth metals, of radioactive elements and of isotopes
ex 28.01	Halogens (excluding iodine, crude, and bromine)
ex 28.04	Hydrogen, rare gases and other metalloids and non-metals (excluding selenium and phosphorus)
28.05 to 28.10	
ex 28.11	Arsenic trioxide; acid of arsenic
28.13 to 28.22	
28.24 28.26 to 28.31	
ex 28.32	Chlorates (excluding sodium chlorate and potassium chlorate and perchlorates)
ex 28.34	Oxyiodides and periodates
28.35 to 28.45	
28.47 to 28.58	

LIST E

List of tariff headings in respect of which the rates of
duty in the common customs tariff may not exceed 25%

- 1 -	- 2 -
No. in the Brussels Nomenclature	Description of products
Chapter 29	Organic chemicals
ex 29.01	Hydrocarbons (excluding naphthalene)
29.02	
29.03	
ex 29.04	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (excluding butyl and isobutyl alcohols)
29.05	
ex 29.06	Phenols (excluding phenol, cresols and xylenols) and phenol-alcohols
29.07	
to	
29.45	
Chapter 32	
32.05	
32.06	
Chapter 39	
39.01	
to	
39.06	

LIST F

List of tariff headings in respect of which the rates of duty in the common customs tariff have been determined by common accord

- 1 -	- 2 -	- 3 -
No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
ex 01.01	Live horses for slaughter	11
ex 01.02	Live animals of the bovine species (other than pure-bred breeding animals)*	16
ex 01.03	Live swine (other than pure-bred breeding animals)*	16
ex 02.01	Meat and edible offals, fresh, chilled or frozen:	
	Of horses	16
	Of bovine animals *	20
	Of swine*	20
02.02	Dead poultry (that is to say, fowls, ducks, geese, turkeys and guinea fowls) and edible offals thereof (except liver), fresh, chilled or frozen	18
ex 02.06	Horsemeat, salted or dried	16
ex 03.01	Freshwater fish, fresh (live or dead), chilled or frozen:	
	Trout and other salmonidae	16
	Other	10

* Domestic species only

- 1 -

- 2 -

- 3 -

No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
ex 03.03	Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water:	
	Crawfish and lobsters	25
	Crabs, shrimps and prawns	18
	Oysters	18
04.03	Butter	24
ex 04.05	Birds' eggs in shell, fresh or preserved:	
	From 16/2 to 31/8	12
	From 1/9 to 15/2	15
04.06	Natural honey	30
ex 05.07	Bed feathers and down, unworked	0
05.08	Bones and horn-cores, unworked, defatted, simply prepared but not cut to shape, treated with acid or degelatinised; powder and waste of these products	0
ex 06.03	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh:	
	From 1/6 to 31/10	24
	From 1/11 to 31/5	20
07.01	Vegetables, fresh or chilled:	
	Onions, shallots, garlic	12
	New potatoes:	
	From 1/1 to 15/5	15
	From 16/5 to 30/6	21
	Other (1)	

(1) The rate is normally fixed at the level of the arithmetical average. This may be adjusted, as necessary, by fixing seasonal rates within the framework of the agricultural policy of the Community.

I/E

- 194 -

- 1 -

- 2 -

- 3 -

No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
07.04	Dried, dehydrated or evaporated vegetables, whole, cut, sliced, broken or in powder, but not further prepared:	
	Onions	20
	Other	16
ex 07.05	Dried leguminous vegetables, shelled, whether or not skinned or split:	
	Peas and beans	10
ex 08.01	Bananas, fresh	20
08.02	Citrus fruit, fresh or dried:	
	Oranges:	
	From 15/3 to 30/9	15
	Outside this period	20
	Mandarins and clementines	20
	Lemons	8
	Grapefruit	12
	Other	16
ex 08.04	Grapes, fresh:	
	From 1/11 to 14/7	18
	From 15/7 to 31/10	22
08.06	Apples, pears and quinces, fresh (1)	8
08.07	Stone fruit, fresh:	
	Apricots	25
	Other (1)	
ex 08.12	Prunes	18
ex 09.01	Raw coffee	16

(1) The rate is normally fixed at the level of the arithmetical average. This may be adjusted, as necessary, by fixing seasonal rates within the framework of the agricultural policy of the Community.

- 1 -

- 2 -

- 3 -

No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
10.01	Cereals (1)	
to		
10.07		
ex 11.01	Wheat flour (1)	
12.01	Oil seeds and oleaginous fruits, whole or broken	0
ex 12.03	Seeds of a kind used for sowing (other than beet seed)	10
12.06	Hop cones and lupulin	12
15.15	Beeswax and other insect waxes, whether or not coloured:	
	Raw	0
	Other	10
15.16	Vegetable waxes, whether or not coloured:	
	Raw	0
	Other	8
ex 16.04	Prepared or preserved fish: Salmonidae	20
ex 16.05	Crustaceans, prepared or preserved	20
17.01	Beet sugar and cane sugar, solid	80
18.01	Cocoa beans, whole or broken, raw or roasted	9
18.02	Cocoa shells, husks, skins and waste	9

- (1) (a) The rates of duty on cereals and wheat flour in the common customs tariff shall be equal to the arithmetical average of the rates in the national tariffs.
- (b) Until the treatment to be applied within the framework of the measures provided for in Article 40 (2) has been determined, Member States may, by way of derogation from Article 23, suspend the collection of duties on these products.
- (c) Should the production or processing of cereals or wheat flour in any Member State be seriously threatened or prejudiced by the suspension of duties in another Member State, the Member States concerned shall enter into negotiations with each other. Should these negotiations fail to produce results, the Commission may authorise the injured State to take appropriate measures, to be implemented as determined by the Commission, in so far as the difference in cost is not compensated for by the existence of an internal organisation of the market in cereals in the Member State suspending the duties.

I/E

- 196 -

- 1 -

- 2 -

- 3 -

No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
19.02	Preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50 per cent by weight of cocoa	25
ex 20.02	Sauerkraut	20
21.07	Food preparations not elsewhere specified or included	25
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol	40
23.01	Flours and meals, unfit for human consumption: Of meat and offals; greaves Of fish, crustaceans or molluscs	4 5
24.01	Unmanufactured tobacco; tobacco refuse	30
ex 25.07	Kaolin, sillimanite	0
ex 25.15	Marble, including marble not further worked than roughly split, roughly squared or squared by sawing, of a thickness exceeding 25 centimetres	0
ex 25.16	Granite, porphyry, basalt, sandstone and other monumental and building stone, including such stone not further worked than roughly split, roughly squared or squared by sawing, of a thickness exceeding 25 centimetres	0
25.19	Natural magnesium carbonate (magnesite), whether or not calcined, other than magnesium oxide	0
ex 25.27	Talc put up in packings of a net weight not exceeding one kilogramme	8
ex 27.07	Phenols, cresols and xylenols, crude	3
27.09	Petroleum and shale oils, crude	0
ex 27.14	Petroleum coke	0
28.03	Carbon, including carbon black, anthracene black, acetylene black and lamp black	5

- 1 -	- 2 -	- 3 -
No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
ex 28.04	Phosphorus	15
	Selenium	0
28.23	Iron oxides and hydroxides, including earth colours containing 70 per cent or more by weight of combined iron evaluated as Fe ₂ O ₃	10
28.25	Titanium oxides	15
ex 28.32	Sodium and potassium chlorates	10
ex 29.01	Aromatic hydrocarbons	
	Naphthalene	8
ex 29.04	tertButyl alcohol	8
ex 32.07	Titanium white	15
ex 33.01	Essential oils (terpeneless or not), concretes and absolutes, of citrus fruit	12
34.04	Artificial waxes (including water-soluble waxes); prepared waxes, not emulsified or containing solvents	12
ex 40.07	Vulcanised rubber thread and cord, whether or not textile covered	15
41.01	Raw hides and skins (fresh, salted, dried, pickled or limed), whether or not split, including sheepskins in the wool	0
ex 41.03	Sheep and lamb skin leather, not further prepared than tanned:	
	Of Indian crossbred sheep and goats	0
	Other	6
ex 41.04	Goat and kid skin leather, not further prepared than tanned:	
	Of Indian goats	0
	Other	7
41.08	Patent leather and metallised leather	12
44.14	Veneer sheets and sheets for plywood (sawn, sliced or peeled), of a thickness not exceeding five millimetres, whether or not reinforced with paper or fabric	10

- 1 -

- 2 -

- 3 -

No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
44.15	Plywood, blockboard, laminboard, battenboard and veneered panels, whether or not con- taining any material other than wood; inlaid wood and wood marquetry	15
53.04	Waste of sheep's or lambs' wool or of other animal hair (fine or coarse), pulled or gar- netted (including pulled or garnetted rags)	0
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)	0
54.02	Ramie, raw or processed but not spun; ramie noils and waste (including pulled or garnetted rags)	0
55.01	Cotton, not carded or combed	0
ex 55.02	Cotton linters, raw	0
55.03	Cotton waste (including pulled or garnetted rags), not carded or combed	0
57.01	True hemp (<i>Cannabis sativa</i>), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)	0
57.02	Manila hemp (<i>abaca</i>) (<i>Musa textilis</i>), raw or processed but not spun; tow and waste of manila hemp (including pulled or garnetted rags or ropes)	0
57.03	Jute, raw or processed but not spun; tow and waste of jute (including pulled or garnetted rags or ropes)	0
74.01	Copper matte; unwrought copper (refined or not); copper waste and scrap	0
74.02	Master alloys	0
75.01	Nickel mattes, nickel speiss and other inter- mediate products of nickel metallurgy; unwrought nickel (excluding electroplating anodes); nickel waste and scrap	0
80.01	Unwrought tin; tin waste and scrap	0
ex 85.08	Sparking plugs	18

LIST G

List of tariff headings in respect of which the rates of duty in the common customs tariff are to be negotiated between the Member States

- 1 -	- 2 -
No. in the Brussels Nomenclature	Description of products
ex 03.01	Saltwater fish, fresh (live or dead), chilled or frozen
03.02	Fish, salted, in brine, dried or smoked
04.04	Cheese and curd
11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except husked, glazed, polished or broken rice; germ of cereals, whole, rolled, flaked or ground
11.07	Malt, roasted or not
ex 15.01	Lard and other rendered pig fat
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus") produced from those fats
15.03	Lardstearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
ex 15.04	Whale oil, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
18.03	Cocoa paste (in bulk or in block), whether or not defatted
18.04	Cocoa butter (fat or oil)
18.05	Cocoa powder, unsweetened

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

18.06	Chocolate and other food preparations containing cocoa
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing sugar, honey, eggs, fats, cheese or fruit
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion
21.02	Extracts, essences or concentrates, of coffee, tea or maté; preparations with a basis of those extracts, essences or concentrates
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
22.08	Ethyl alcohol or neutral spirits, undenatured, of a strength of 80 degrees or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength
22.09	Spirits (other than those of heading No.22.08); liqueurs and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages
25.01	Common salt (including rock salt, sea salt and table salt); pure sodium chloride; salt liquors, sea water
25.03	Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur
25.30	Crude natural borates and concentrates thereof (calcined or not), but not including borates separated from natural brine; crude natural boric acid containing not more than 85 per cent of H_3BO_3 calculated on the dry weight
ex 26.01	Lead ores and zinc ores
ex 26.03	Ash and residues, containing zinc
27.10	Petroleum and shale oils, other than crude; preparations not elsewhere specified or included, containing not less than 70 per cent by weight of petroleum or shale oils, these oils being the basic constituents of the preparations
27.11	Petroleum gases and other gaseous hydrocarbons

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

27.12	Petroleum jelly
ex 27.13	Paraffin wax, micro-crystalline wax, slack wax and other mineral wax, whether or not coloured, except ozokerite, lignite wax and peat wax
ex 28.01	Iodine, crude, and bromine
28.02	Sulphur, sublimed or precipitated; colloidal sulphur
ex 28.11	Arsenic pentoxide
28.12	Boric oxide and boric acid
28.33	Bromides, oxybromides, bromates and perbromates, and hypobromites
ex 28.34	Iodides and iodates
28.46	Borates and perborates
ex 29.04	Butyl and isobutyl alcohols (other than tertbutyl alcohol)
ex 29.06	Phenol, cresols and xylenols
ex 32.01	Extracts of quebracho and of wattle (mimosa)
40.02	Synthetic rubbers, including synthetic latex, whether or not stabilised; factice derived from oils
44.03	Wood in the rough, whether or not stripped of its bark or merely roughed down
44.04	Wood, roughly squared or half-squared, but not further manufactured
44.05	Wood sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding 5 millimetres
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork
45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)
47.01	Pulp derived by mechanical or chemical means from any fibrous vegetable material

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

50.02	Raw silk (not thrown)
50.03	Silk waste (including cocoons unsuitable for reeling, silk noils and pulled or garnetted rags)
50.04	Silk yarn, other than yarn of noil or other waste silk, not put up for retail sale
50.05	Yarn spun from silk waste other than noil, not put up for retail sale
ex 62.03	Used sacks and bags, of jute, of a kind used for the packing of goods
ex 70.19	Glass beads, imitation pearls, imitation precious and semi-precious stones, imitation synthetic stones and similar fancy or decorative glass smallwares
ex 73.02	Ferro-alloys (other than high carbon ferro-manganese)
76.01	Unwrought aluminium; aluminium waste and scrap*
77.01	Unwrought magnesium; magnesium waste (excluding shavings of uniform size) and scrap*
78.01	Unwrought lead (including argentiferous lead); lead waste and scrap*
79.01	Zinc spelter; unwrought zinc; zinc waste and scrap*
ex 81.01	Tungsten (wolfram) unwrought, in powder*
ex 81.02	Molybdenum, unwrought*
ex 81.03	Tantalum, unwrought*
ex 81.04	Other base metals, unwrought*
ex 84.06	Engines for motor vehicles, flying machines and ships, boats and other vessels, and parts of such engines
ex 84.08	Reaction engines, and parts and accessories thereof
84.45	Machine-tools for working metal or metallic carbides, not being machines falling within heading No. 84.49 or 84.50

* The rates of duty applicable to semi-finished products are to be reviewed in the light of the rate fixed for the unwrought metal, in accordance with the procedure laid down in article 21 (2) of this Treaty.

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

84.48	Accessories and parts suitable for use solely or principally with the machines falling within headings Nos. 84.45 to 84.47, including work and tool holders, self-opening dieheads, dividing heads and other appliances for machine-tools; tool holders for the mechanical hand tools of heading No. 82.04, 84.49 or 85.05
ex 84.63	Transmission components for engines of motor vehicles
87.06	Parts and accessories of the motor vehicles falling within heading No. 87.01, 87.02 or 87.03
88.02	Flying machines, gliders and kites; rotochutes
ex 88.03	Parts of flying machines, gliders and kites

ANNEX II

LIST

referred to in Article 38 of this Treaty

- 1 -	- 2 -
No. in the Brussels Nomenclature	Description of products
-----	-----
CHAPTER 1	Live animals
CHAPTER 2	Meat and edible meat offals
CHAPTER 3	Fish, crustaceans and molluscs
CHAPTER 4	Dairy produce; birds' eggs; natural honey
CHAPTER 5	
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption
CHAPTER 6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
CHAPTER 7	Edible vegetables and certain roots and tubers
CHAPTER 8	Edible fruit and nuts; peel of melons or citrus fruit
CHAPTER 9	Coffee, tea and spices, excluding maté (heading No. 09.03)
CHAPTER 10	Cereals
CHAPTER 11	Products of the milling industry; malt and starches; gluten; inulin

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

CHAPTER 12	Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder
CHAPTER 13	
ex 13.03	Pectin
CHAPTER 15	
15.01	Lard and other rendered pig fat; rendered poultry fat
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus") produced from those fats
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
15.04	Fats and oils, of fish and marine mammals, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
15.13	Margarine, imitation lard and other prepared edible fats
15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes
CHAPTER 16	Preparations of meat, of fish, of crustaceans or molluscs
CHAPTER 17	
17.01	Beet sugar and cane sugar, solid
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel
17.03	Molasses, whether or not decolourised

- 1 -

- 2 -

No. in the
Brussels
Nomenclature

Description of products

CHAPTER 18

18.01 Cocoa beans, whole or broken, raw or roasted

18.02 Cocoa shells, husks, skins and waste

CHAPTER 20 Preparations of vegetables, fruit or other parts of plants

CHAPTER 22

22.04 Grape must, in fermentation or with fermentation arrested
otherwise than by the addition of alcohol

22.05 Wine of fresh grapes; grape must with fermentation arrested
by the addition of alcohol

22.07 Other fermented beverages (for example, cider, perry and
mead)

CHAPTER 23 Residues and waste from the food industries; prepared animal
fodder

CHAPTER 24

24.01 Unmanufactured tobacco; tobacco refuse

CHAPTER 45

45.01 Natural cork, unworked, crushed, granulated or ground; waste
cork

CHAPTER 54

54.01 Flax, raw or processed but not spun; flax tow and waste
(including pulled or garnetted rags)

CHAPTER 57

57.01 True hemp (*Cannabis sativa*), raw or processed but not spun;
tow and waste of true hemp (including pulled or garnetted
rags or ropes)

ANNEX III

LIST OF INVISIBLE TRANSACTIONS

referred to in article 106 of this Treaty

- Maritime freights, including chartering, harbour expenses, disbursements for fishing vessels, etc.
- Inland waterway freights, including chartering.
- Road transport: passengers and freights, including chartering.
- Air transport: passengers and freights, including chartering.

Payment by passengers of international air tickets and excess luggage charges; payment of international air freight charges and chartered flights.

Receipts from the sale of international air tickets, excess luggage charges, international air freight charges, and chartered flights.

- For all means of maritime transport: harbour services (bunkering and provisioning, maintenance, repairs, expenses for crews, etc.).

For all means of inland waterway transport: harbour services (bunkering and provisioning, maintenance and minor repairs of equipment, expenses for crews, etc.).

For all means of commercial road transport: fuel, oil, minor repairs, garaging, expenses for drivers and crews, etc.

For all means of air transport: operating costs and general overheads, including repairs to aircraft and to air transport equipment.

- Warehousing and storage charges, customs clearance.
- Customs duties and fees.
- Transit charges.
- Repair and assembly charges.

Processing, finishing, processing of work under contract, and other services of the same nature.

- Repair of ships.

Repair of means of transport other than ships and aircraft.

- Technical assistance (assistance relating to the production and distribution of goods and services at all stages, given over a period limited according to the specific purpose of such assistance, and including e.g. advice or visits by experts, preparation of plans and blueprints, supervision of manufacture, market research, training of personnel).
- Commission and brokerage.

Profits arising out of transit operations or sales of trans-shipment.

Banking commissions and charges.

Representation expenses.

- Advertising by all media.
- Business travel.
- Participation by subsidiary companies and branches in overhead expenses of parent companies situated abroad and vice-versa.
- Contracting (construction and maintenance of buildings, roads, bridges, ports, etc. carried out by specialised firms, and, generally, at fixed prices after open tender).
- Differences, margins and deposits due in respect of operations on commodity terminal markets in conformity with normal bona fide commercial practice.

- Tourism.
- Travel for private reasons (education).
- Travel for private reasons (health).
- Travel for private reasons (family).
- Subscriptions to newspapers, periodicals, books, musical publications.
Newspapers, periodicals, books, musical publications and records.
- Printed films, commercial, documentary, educational, etc. (rentals, dues, subscriptions, reproduction and synchronisation fees, etc.).
- Membership fees.
- Current maintenance and repair of private property abroad.
- Government expenditure (official representation abroad, contributions to international organisations).
- Taxes, court expenses, registration fees for patents and trade marks.
Claims for damages.
Refunds in the case of cancellation of contracts and refunds of uncalled-for payments.
Fines.
- Periodical settlements in connection with public transport and postal, telegraphic and telephone services.
- Exchange authorisations granted to own or foreign nationals emigrating.
Exchange authorisations granted to own or foreign nationals returning to their country of origin.
- Salaries and wages (of frontier or seasonal workers and of other non-residents, without prejudice to the right of a country to regulate terms of employment of foreign nationals).
- Emigrants' remittances (without prejudice to the right of a country to regulate immigration).

- Fees.
 - Dividends and shares in profits.
 - Interest on debentures, mortgages, etc.
 - Rent.
 - Contractual amortisation (with the exception of transfers in connection with amortisation having the character either of anticipated repayments or of the discharge of accumulated arrears).
 - Profits from business activity.
 - Authors' royalties.
- Patents, designs, trade marks and inventions (the assignment and licensing of patent rights, designs, trade marks and inventions, whether or not legally protected, and transfers arising out of such assignment or licensing).
- Consular receipts.
 - Pensions and other income of a similar nature.
- Maintenance payments resulting from a legal obligation or from a decision of a court and financial assistance in cases of hardship.
- Transfers by instalments of assets deposited in one member country by persons residing in another member country whose personal income in that country is not sufficient to cover their living expenses.
- Transactions and transfers in connection with direct insurance.
 - Transactions and transfers in connection with reinsurance and retrocession.
 - Opening and reimbursement of commercial or industrial credits.
 - Transfers of minor amounts abroad.
 - Charges for documentation of all kinds incurred on their own account by authorised dealers in foreign exchange.
 - Sports prizes and racing earnings.
 - Inheritances.
 - Dowries.

I/E

ANNEX IV

OVERSEAS COUNTRIES AND TERRITORIES

to which the provisions of part IV of this Treaty apply

French West Africa: Senegal, French Sudan, French Guinea, Ivory Coast, Dahomey, Mauritania, Niger and Upper Volta;

French Equatorial Africa: Middle Congo, Ubangi-Shari, Chad and Gabon;

Saint Pierre and Miquelon, the Comoro Archipelago, Madagascar and dependencies, French Somaliland, New Caledonia and dependencies, French Settlements in Oceania, Southern and Antarctic Territories;

The Autonomous Republic of Togoland;

The trust territory of the Cameroons under French administration;

The Belgian Congo and Ruanda-Urundi;

The trust territory of Somaliland under Italian administration;

Netherlands New Guinea.

II

Protocols

I/E

214-216

PROTOCOL
ON THE
STATUTE OF THE
EUROPEAN INVESTMENT BANK

THE HIGH CONTRACTING PARTIES,

DESIRING to lay down the Statute of the European Investment Bank provided for in Article 129 of this Treaty,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty:

ARTICLE 1

The European Investment Bank established by Article 129 of this Treaty (hereinafter called the "Bank") is hereby constituted; it shall perform its functions and carry on its activities in accordance with the provisions of this Treaty and of this Statute.

The seat of the Bank shall be determined by common accord of the Governments of the Member States.

ARTICLE 2

The task of the Bank shall be that defined in Article 130 of this Treaty.

ARTICLE 3

In accordance with Article 129 of this Treaty, the following shall be members of the Bank:

- the Kingdom of Belgium;
- the Federal Republic of Germany;
- the French Republic;
- the Italian Republic;
- the Grand Duchy of Luxembourg;
- the Kingdom of the Netherlands.

ARTICLE 4

1. The capital of the Bank shall be one thousand million units of account, subscribed by the Member States as follows:

Germany....	300	million
France.....	300	million
Italy.....	240	million
Belgium....	86.5	million
Netherlands	71.5	million
Luxembourg	2	million

The value of the unit of account shall be 0.88867088 grammes of fine gold.

The Member States shall be liable only up to the amount of their share of the capital subscribed and not paid up.

2. The admission of a new member shall entail an increase in the subscribed capital corresponding to the capital brought in by the new member.

3. The Board of Governors may, acting unanimously, decide to increase the subscribed capital.

4. The share of a member in the subscribed capital may not be transferred, pledged or attached.

ARTICLE 5

1. The Member States shall pay up 25 % of the subscribed capital in five equal instalments to be paid not later than two months, nine months, sixteen months, twenty-three months and thirty months, respectively, after the entry into force of this Treaty.

One quarter of each instalment shall be paid in gold or freely convertible currency and three quarters in national currency.

2. The Board of Directors may require that the remaining 75 % of the subscribed capital be paid up, to such extent as may be required for the Bank to meet its obligations towards those who have made loans to it.

Each Member State shall make this payment in proportion to its share of the subscribed capital in the currencies required by the Bank to meet these obligations.

ARTICLE 6

1. The Board of Governors may, acting by a qualified majority on a proposal from the Board of Directors, decide that Member States shall grant the Bank special interest-bearing loans if and to the extent that the Bank requires such loans to finance specific projects and the Board of Directors shows that the Bank is unable to obtain the necessary funds on the capital markets on terms appropriate to the nature and purpose of the projects to be financed.
2. Special loans may not be called for until the beginning of the fourth year after the entry into force of this Treaty. They shall not exceed 400 million units of account in the aggregate or 100 million units of account per annum.
3. The term of special loans shall be related to the term of the loans or guarantees which the Bank proposes to grant by means of the special loans; it shall not exceed twenty years. The Board of Governors may, acting by a qualified majority on a proposal from the Board of Directors, decide upon the prior repayment of special loans.
4. Special loans shall bear interest at 4 % per annum, unless the Board of Governors, taking into account the trend and level of interest rates on the capital markets, decides to fix a different rate.
5. Special loans shall be granted by Member States in proportion to their share in the subscribed capital; payment shall be made in national currency within six months of such loans being called for.
6. Should the Bank go into liquidation, special loans granted by Member States shall be repaid only after the other debts of the Bank have been settled.

ARTICLE 7

1. Should the parity of the currency of a Member State in relation to the unit of account defined in Article 4 be reduced, that State shall adjust the amount of its capital share paid up in its own currency in proportion to the change in parity by making a supplementary payment to the Bank. The amount to be adjusted may not, however, exceed the aggregate amount of the loans granted by the Bank in the currency concerned and of the assets of the Bank in that currency. The payment shall be made within two months or, in so far as it

relates to loans, on the dates when they fall due.

2. Should the parity of the currency of a Member State in relation to the unit of account defined in Article 4 be increased, the Bank shall adjust the amount of the capital share paid up by that State in its own currency in proportion to the change in parity by making a repayment to that State. The amount to be adjusted may not, however, exceed the aggregate amount of the loans granted by the Bank in the currency concerned and of the assets of the Bank in that currency. The repayment shall be made within two months or, in so far as it relates to loans, on the dates when they fall due.

3. The parity of the currency of a Member State in relation to the unit of account defined in Article 4 shall be the relation between the weight of fine gold contained in the unit of account and the weight of fine gold corresponding to the par value of that currency communicated to the International Monetary Fund. Failing this, the parity shall be based on the exchange rate for a currency expressed in or convertible into gold which is applied by the Member State for current payments.

4. In the event of a uniform proportionate change in the par values of the currencies of all members of the International Monetary Fund or of all members of the Bank, the Board of Governors may decide that paragraphs 1 and 2 shall not apply.

ARTICLE 8

The Bank shall be directed and managed by a Board of Governors, a Board of Directors and a Management Committee.

ARTICLE 9

1. The Board of Governors shall consist of the Ministers designated by the Member States.

2. The Board of Governors shall lay down general directives for the credit policy of the Bank, with particular reference to the objectives to be pursued

as progress is made in the attainment of the common market.

The Board of Governors shall ensure that these directives are implemented.

3. The Board of Governors shall in addition:

(a) decide whether to increase the subscribed capital in accordance with Article 4 (3);

(b) exercise the powers provided in Article 6 in respect of special loans;

(c) exercise the powers provided in Articles 11 and 13 in respect of the appointment and the compulsory retirement of members of the Board of Directors and of the Management Committee;

(d) authorise the derogation provided for in Article 18 (1);

(e) approve the annual report of the Board of Directors;

(f) approve the annual balance sheet and profit and loss account;

(g) exercise the powers and functions provided in Articles 7, 14, 17, 26 and 27;

(h) approve the rules of procedure of the Bank;

4. Within the framework of this Treaty and this Statute, the Board of Governors shall be competent to take, acting unanimously, any decisions concerning the suspension of the operations of the Bank and, should the event arise, its liquidation.

ARTICLE 10

Save as otherwise provided in this Statute, decisions of the Board of Governors shall be taken by a majority of its members. Voting by the Board of Governors shall be in accordance with the provisions of Article 148 of this Treaty.

ARTICLE 11

1. The Board of Directors shall have sole power to take decisions in respect of granting loans and guarantees and raising loans; it shall fix the interest rates on loans granted and the commission on guarantees; it shall see that the Bank is properly run; it shall ensure that the Bank is managed in accordance

with the provisions of this Treaty and of this Statute and with the general directives laid down by the Board of Governors.

At the end of the financial year the Board of Directors shall submit a report to the Board of Governors and shall publish it when approved.

2. The Board of Directors shall consist of twelve directors and twelve alternates.

The directors shall be appointed by the Board of Governors for five years on nomination by the Member States and the Commission as shown below:

- 2 directors nominated by common accord of the Benelux countries;
- 3 directors nominated by the Federal Republic of Germany;
- 3 directors nominated by the French Republic;
- 3 directors nominated by the Italian Republic;
- 1 director nominated by the Commission.

Their appointments shall be renewable.

Each director shall be assisted by an alternate appointed under the same conditions and in accordance with the same procedure as the directors.

Alternates may take part in meetings of the Board of Directors; they shall not have the right to vote unless they are representing a director prevented from attending.

The President of the Management Committee or, in his absence, one of the Vice-Presidents, shall preside over meetings of the Board of Directors but shall not vote.

Members of the Board of Directors shall be chosen from persons whose independence and competence are beyond doubt; they shall be responsible only to the Bank.

3. A director may be compulsorily retired by the Board of Governors only if he no longer fulfils the conditions required for the performance of his duties; the Board must act by a qualified majority.

If the annual report is not approved, the Board of Directors shall resign.

4. Any vacancy arising as a result of death, voluntary resignation, compulsory retirement or collective resignation shall be filled in accordance with paragraph 2. A member shall be replaced for the remainder of his term of office, save where the entire Board of Directors is being replaced.

5. The Board of Governors shall determine the remuneration of members of the Board of Directors. The Board of Governors shall, acting unanimously, lay down what activities are incompatible with the duties of a director or an alternate.

ARTICLE 12

1. Each director shall have one vote on the Board of Directors.

2. Save as otherwise provided in this Statute, decisions of the Board of Directors shall be taken by a simple majority of the members entitled to vote. A qualified majority shall require eight votes in favour. The rules of procedure of the Bank shall lay down how many members of the Board of Directors constitute the quorum needed for the adoption of decisions.

ARTICLE 13

1. The Management Committee shall consist of a President and two Vice-Presidents appointed for six years by the Board of Governors on a proposal from the Board of Directors. Their appointments shall be renewable.

2. On a proposal from the Board of Directors adopted by a qualified majority, the Board of Governors may, acting in its turn by a qualified majority, compulsorily retire a member of the Management Committee.

3. The Management Committee shall be responsible for the current business of the Bank, under the authority of the President and the supervision of the Board of Directors.

It shall prepare the decisions of the Board of Directors, in particular decisions on the raising of loans and the granting of loans and guarantees; it shall ensure that these decisions are implemented.

4. The Management Committee shall act by a majority when delivering opinions on proposals for raising loans or granting loans and guarantees.

5. The Board of Governors shall determine the remuneration of members of the Management Committee and shall lay down what activities are incompatible with their duties.

6. The President or, if he is prevented, a Vice-President shall represent the Bank in judicial and other matters.

7. The officials and other employees of the Bank shall be under the authority of the President. They shall be engaged and discharged by him. In the selection of staff, account shall be taken not only of personal ability and qualifications but also of an equitable representation of nationals of Member States.

8. The Management Committee and the staff of the Bank shall be responsible only to the Bank and shall be completely independent in the performance of their duties.

ARTICLE 14

1. A Committee consisting of three members, appointed on the grounds of their competence by the Board of Governors, shall annually verify that the operations of the Bank have been conducted and its books kept in a proper manner.

2. The Committee shall confirm that the balance sheet and profit and loss account are in agreement with the accounts and faithfully reflect the position of the Bank in respect of its assets and liabilities.

ARTICLE 15

The Bank shall deal with each Member State through the authority designated by that State. In the conduct of financial operations the Bank shall have recourse to the bank of issue of the Member State concerned or to other financial institutions approved by that State.

ARTICLE 16

1. The Bank shall cooperate with all international organisations active in fields similar to its own.

2. The Bank shall seek to establish all appropriate contacts in the interests of cooperation with banking and financial institutions in the countries to which its operations extend.

ARTICLE 17

At the request of a Member State or of the Commission, or on its own initiative, the Board of Governors shall, in accordance with the same provisions as governed their adoption, interpret or supplement the directives laid down by it under Article 9 of this Statute.

ARTICLE 18

1. Within the framework of the task set out in Article 130 of this Treaty, the Bank shall grant loans to its members or to private or public undertakings for investment projects to be carried out in the European territories of Member States, to the extent that funds are not available from other sources on reasonable terms.

However, by way of derogation authorised by the Board of Governors, acting unanimously on a proposal from the Board of Directors, the Bank may grant loans for investment projects to be carried out, in whole or in part, outside the European territories of Member States.

2. As far as possible, loans shall be granted only on condition that other sources of finance are also used.

3. When granting a loan to an undertaking or to a body other than a Member State, the Bank shall make the loan conditional either on a guarantee from the Member State in whose territory the project will be carried out or on other adequate guarantees.

4. The Bank may guarantee loans contracted by public or private undertakings or other bodies for the purpose of carrying out projects provided for in Article 130 of this Treaty.

5. The aggregate amount outstanding at any time of loans and guarantees granted by the Bank shall not exceed 250 % of its subscribed capital.

6. The Bank shall protect itself against exchange risks by including in contracts for loans and guarantees such clauses as it considers appropriate.

ARTICLE 19

1. Interest rates on loans to be granted by the Bank and commission on guarantees shall be adjusted to conditions prevailing on the capital market and shall be calculated in such a way that the income therefrom shall enable the Bank to meet its obligations, to cover its expenses and to build up a reserve fund as provided for in Article 24.

2. The Bank shall not grant any reduction in interest rates. Where a reduction in the interest rate appears desirable in view of the nature of the project to be financed, the Member State concerned or some other agency may grant aid towards the payment of interest to the extent that this is compatible with Article 92 of this Treaty.

ARTICLE 20

In its loan and guarantee operations, the Bank shall observe the following principles :

1. It shall ensure that its funds are employed as rationally as possible in the interests of the Community.

It may grant loans or guarantees only :

(a) where, in the case of projects carried out by undertakings in the production sector, interest and amortisation payments are covered out of operating profits or, in other cases, either by a commitment entered into by the State in which the project is carried out or by some other means; and

(b) where the execution of the project contributes to an increase in economic productivity in general and promotes the attainment of the common market.

2. It shall neither acquire any interest in an undertaking nor assume any responsibility in its management unless this is required to safeguard the rights of the Bank in ensuring recovery of funds lent.

3. It may dispose of its claims on the capital market and may, to this end, require its debtors to issue bonds or other securities.

4. Neither the Bank nor the Member States shall impose conditions requiring funds lent by the Bank to be spent within a specified Member State.

5. The Bank may make its loans conditional on international invitations to tender being arranged.

6. The Bank shall not finance, in whole or in part, any project opposed by the Member State in whose territory it is to be carried out.

ARTICLE 21

1. Applications for loans or guarantees may be made to the Bank either through the Commission or through the Member State in whose territory the project will be carried out. An undertaking may also apply direct to the Bank for a loan or guarantee.

2. Applications made through the Commission shall be submitted for an opinion to the Member State in whose territory the project will be carried out. Applications made through a Member State shall be submitted to the Commission for an opinion. Applications made direct by an undertaking shall be submitted to the Member State concerned and to the Commission.

The Member State concerned and the Commission shall deliver their opinions within two months. If no reply is received within this period, the Bank may assume that there is no objection to the project in question.

3. The Board of Directors shall rule on applications for loans or guarantees submitted to it by the Management Committee.

4. The Management Committee shall examine whether applications for loans or guarantees submitted to it comply with the provisions of this Statute, in particular with Article 20. Where the Management Committee is in favour of granting the loan or guarantee, it shall submit the draft contract to the Board of Directors; the Committee may make its favourable opinion subject to such conditions as it considers essential. Where the Management Committee is against granting the loan or guarantee, it shall submit the relevant documents together with its opinion to the Board of Directors.

5. Where the Management Committee delivers an unfavourable opinion, the Board of Directors may not grant the loan or guarantee concerned unless its decision is unanimous.

6. Where the Commission delivers an unfavourable opinion, the Board of Directors may not grant the loan or guarantee concerned unless its decision is unanimous, the director nominated by the Commission abstaining.

7. Where both the Management Committee and the Commission deliver an unfavourable opinion, the Board of Directors may not grant the loan or guarantee.

ARTICLE 22

1. The Bank shall borrow on the international capital markets the funds necessary for the performance of its tasks.

2. The Bank may borrow on the capital market of a Member State either in accordance with the legal provisions applying to internal issues or, if there are no such provisions in a Member State, after the Bank and the Member State concerned have conferred together and reached agreement on the proposed loan.

The competent authorities in the Member State concerned may refuse to give their assent only if there is reason to fear serious disturbances on the capital market of that State.

ARTICLE 23

1. The Bank may employ any available funds which it does not immediately require to meet its obligations in the following ways:

(a) it may invest on the money markets;

(b) it may, subject to the provisions of Article 20 (2), buy and sell securities issued by itself or by those who have borrowed from it;

(c) it may carry out any other financial operation linked with its objectives.

2. Without prejudice to the provisions of Article 25, the Bank shall not, in managing its investments, engage in any currency arbitrage not directly required to carry out its lending operations or fulfil commitments arising out of loans raised or guarantees granted by it.

3. The Bank shall, in the fields covered by this Article, act in agreement with the competent authorities or with the bank of issue of the Member State concerned.

ARTICLE 24

1. A reserve fund of up to 10% of the subscribed capital shall be built up progressively. If the state of the liabilities of the Bank should so justify, the Board of Directors may decide to set aside additional reserves. Until such time as the reserve fund has been fully built up, it shall be fed by:

(a) interest received on loans granted by the Bank out of sums to be paid up by the Member States pursuant to Article 5;

(b) interest received on loans granted by the Bank out of funds derived from repayment of the loans referred to in (a);

to the extent that this income is not required to meet the obligations of the Bank or to cover its expenses.

2. The resources of the reserve fund shall be so invested as to be available at any time to meet the purpose of the fund.

ARTICLE 25

1. The Bank shall at all times be entitled to transfer its assets in the currency of one Member State into the currency of another Member State in order to carry out financial operations corresponding to the task set out in Article 130 of this Treaty, taking into account the provisions of Article 23 of this Statute. The Bank shall, as far as possible, avoid making such transfers if it has cash or liquid assets in the currency required.

2. The Bank may not convert its assets in the currency of a Member State into the currency of a third country without the agreement of the Member State concerned.

3. The Bank may freely dispose of that part of its capital which is paid up in gold or convertible currency and of any currency borrowed on markets outside the Community.

4. The Member States undertake to make available to the debtors of the Bank the currency needed to repay the capital and pay the interest on loans or commission on guarantees granted by the Bank for projects to be carried out in their territory.

ARTICLE 26

If a Member State fails to meet the obligations of membership arising from this Statute, in particular the obligation to pay its share of the subscribed capital, to grant its special loans or to service its borrowings, the granting of loans or guarantees to that Member State or its nationals may be suspended by a decision of the Board of Governors, acting by a qualified majority.

Such decision shall not release either the State or its nationals from their obligations towards the Bank.

ARTICLE 27

1. If the Board of Governors decides to suspend the operations of the Bank, all its activities shall cease forthwith, except those required to ensure the due realisation, protection and preservation of its assets and the settlement of its liabilities.

2. In the event of liquidation, the Board of Governors shall appoint the liquidators and give them instructions for carrying out the liquidation.

ARTICLE 28

1. In each of the Member States, the Bank shall enjoy the most extensive legal capacity accorded to legal persons under their laws; it may, in particular, acquire or dispose of movable or immovable property and may be a party to legal proceedings.

The privileges and immunities of the Bank shall be laid down in the Protocol provided for in Article 218 of this Treaty.

2. The property of the Bank shall be exempt from all forms of requisition or expropriation.

ARTICLE 29

Disputes between the Bank on the one hand, and its creditors, debtors or any other person on the other, shall be decided by the competent national courts, save where jurisdiction has been conferred on the Court of Justice.

The Bank shall have an address for service in each Member State. It may, however, in any contract, specify a particular address for service or provide for arbitration.

The property and assets of the Bank shall not be liable to attachment or to seizure by way of execution except by decision of a court.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

PROTOCOL
ON
GERMAN INTERNAL TRADE
AND CONNECTED PROBLEMS

THE HIGH CONTRACTING PARTIES,

CONSIDERING the conditions at present existing by reason of the division of Germany,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty:

1. Since trade between the German territories subject to the Basic Law for the Federal Republic of Germany and the German territories in which the Basic Law does not apply is a part of German internal trade, the application of this Treaty in Germany requires no change in the treatment currently accorded this trade.

2. Each Member State shall inform the other Member States and the Commission of any agreements relating to trade with the German territories in which the Basic Law for the Federal Republic of Germany does not apply, and of any implementing provisions. Each Member State shall ensure that the implementation of such agreements does not conflict with the principles of the common market and shall in particular take appropriate measures to avoid harming the economies of the other Member States.

3. Each Member State may take appropriate measures to prevent any difficulties arising for it from trade between another Member State and the German territories in which the Basic Law for the Federal Republic of Germany does not apply.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

PROTOCOL
ON
CERTAIN PROVISIONS
RELATING TO FRANCE

I/E

THE HIGH CONTRACTING PARTIES,

DESIRING to settle in accordance with the general objectives of this Treaty certain particular problems existing at the present time,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty :

I. - CHARGES AND AIDS

1. The Commission and the Council shall annually examine the system of aid to exports and of special charges on imports in force in the franc area.

The French Government shall, at the time of this examination, make known the measures it proposes to take to reduce and rationalise the level of the aids and charges.

It shall also inform the Council and the Commission of any new charges which it intends to introduce as a result of further liberalisation and of any adjustments to the aids and charges which it intends to make within the limit of the maximum rate of charge in force on 1 January 1957. These various measures may be discussed within those institutions.

2. If it considers that the lack of uniformity is prejudicial to certain sectors of industry in other Member States, the Council may, acting by a qualified majority on a proposal from the Commission, request the French Government to take certain measures to standardise the charges and aids in

each of the following three categories : raw materials, semi-finished products and finished products. If the French Government does not take such measures, the Council shall, again by a qualified majority, authorise the other Member States to take protective measures, the conditions and details of which it shall determine.

3. Where the balance of current payments of the franc area has remained in equilibrium for more than one year, and where its monetary reserves have reached a level which is to be considered satisfactory, in particular as regards the volume of its external trade, the Council may, acting by a qualified majority on a proposal from the Commission, decide that the French Government must abolish the system of charges and aids.

If the Commission and the French Government do not agree on the question whether the level of the monetary reserves of the franc area can be considered satisfactory, they shall refer the matter for an opinion to a person or body chosen by common accord as arbitrator. In the event of disagreement, the arbitrator shall be designated by the President of the Court of Justice.

If it is decided that the system of charges and aids must be abolished, this shall be done in such a manner as to avoid risk of disturbance to the equilibrium of the balance of payments; it may, in particular, be done progressively. Once the system has been abolished, the provisions of this Treaty shall apply in their entirety.

The expression "balance of current payments" shall have the meaning given to it by international organisations and by the International Monetary Fund; it shall comprise the trade balance and the invisible transactions which have the character of income or services.

II. - PAYMENT FOR OVERTIME

1. The Member States consider that the establishment of the common market will result, by the end of the first stage, in a situation in which the basic number of hours beyond which overtime is paid for and the average rate of additional payment for overtime in industry will correspond to the average obtaining in France in 1956.

2. If this situation does not come about by the end of the first stage, the Commission shall authorise France to take, in respect of the sectors of industry affected by disparities in the method of payment for overtime,

protective measures, the conditions and details of which the Commission shall determine, unless, during this stage, the average increase in the wage level in the same sectors of industry in other Member States, by comparison with the average for 1956, exceeds the increase which has occurred in France by a percentage fixed by the Commission with the approval of the Council acting by a qualified majority.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. IUNS.

J. LINTHORST HOMAN.

PROTOCOL
ON ITALY

I/E

THE HIGH CONTRACTING PARTIES,

DESIRING to settle certain particular problems relating to Italy,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty :

THE MEMBER STATES OF THE COMMUNITY

TAKE NOTE of the fact that the Italian Government is carrying out a ten-year programme of economic expansion designed to rectify the disequilibria in the structure of the Italian economy, in particular by providing an infrastructure for the less developed areas in Southern Italy and in the Italian islands and by creating new jobs in order to eliminate unemployment;

RECALL that the principles and objectives of this programme of the Italian Government have been considered and approved by organisations for international cooperation of which the Member States are members;

RECOGNISE that it is in their common interest that the objectives of the Italian programme should be attained;

AGREE, in order to facilitate the accomplishment of this task by the Italian Government, to recommend to the institutions of the Community that they should employ all the methods and procedures provided in this Treaty and, in particular, make appropriate use of the resources of the European Investment Bank and the European Social Fund;

ARE OF THE OPINION that the institutions of the Community should, in applying this Treaty, take account of the sustained effort to be made by the Italian economy in the coming years and of the desirability of avoiding dangerous stresses in particular within the balance of payments or the level of employment, which might jeopardise the application of this Treaty in Italy;

RECOGNISE that in the event of Articles 108 and 109 being applied it will be necessary to take care that any measures required of the Italian Government do not prejudice the completion of its programme for economic expansion and for raising the standard of living of the population.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPFUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

PROTOCOL
ON
THE GRAND DUCHY OF LUXEMBOURG

I/E

THE HIGH CONTRACTING PARTIES,

DESIRING to settle certain particular problems relating to the Grand Duchy of Luxembourg,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty :

ARTICLE 1

1. By reason of the special position of its agriculture, the Grand Duchy of Luxembourg is hereby authorised to maintain quantitative restrictions on imports of the products included in the list annexed to the Decision of the Contracting Parties to the General Agreement on Tariffs and Trade of 3 December 1955 concerning the agriculture of Luxembourg.

Belgium, Luxembourg and the Netherlands shall apply the system provided for in the third paragraph of Article 6 of the Convention on the Economic Union of Belgium and Luxembourg of 25 July 1921.

2. The Grand Duchy of Luxembourg shall take all measures of a structural, technical or economic nature that will make possible the progressive integration of its agriculture in the common market. The Commission may make recommendations to the Grand Duchy concerning the measures to be taken.

At the end of the transitional period the Council shall, acting by a qualified majority on a proposal from the Commission, decide to what extent the derogations accorded the Grand Duchy of Luxembourg shall be maintained, altered or terminated.

Any Member State concerned may appeal against this decision to an arbitration board appointed in accordance with Article 8 (4) of this Treaty.

ARTICLE 2

When framing the regulations on freedom of movement for workers provided for in Article 48 (3) of this Treaty, the Commission shall take account, as regards the Grand Duchy of Luxembourg, of the special demographic situation in that country.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

PROTOCOL
ON
GOODS ORIGINATING
IN AND COMING FROM
CERTAIN COUNTRIES
and enjoying special treatment
when imported into a Member State

I/E

THE HIGH CONTRACTING PARTIES,

DESIRING to define in greater detail the application of this Treaty to certain goods originating in and coming from certain countries and enjoying special treatment when imported into a Member State,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty :

1. The application of the Treaty establishing the European Economic Community shall not require any alteration in the customs treatment applicable, at the time of the entry into force of this Treaty, to imports :

(a) into the Benelux countries of goods originating in and coming from Surinam or the Netherlands Antilles;

(b) into France of goods originating in and coming from Morocco, Tunisia, the Republic of Vietnam, Cambodia or Laos. This shall also apply to the French Settlements in the Condominium of the New Hebrides;

(c) into Italy of goods originating in and coming from Libya or the Trust Territory of Somaliland currently under Italian administration.

2. Goods imported into a Member State and benefiting from the treatment referred to above shall not be considered to be in free circulation in that State within the meaning of Article 10 of this Treaty when re-exported to another Member State.

3. Before the end of the first year after the entry into force of this Treaty, Member States shall communicate to the Commission and to the other Member States their rules governing the special treatment referred to in this Protocol, together with a list of the goods entitled to such treatment.

They shall also inform the Commission and the other Member States of any changes subsequently made in those lists or in the treatment.

4. The Commission shall ensure that the application of these rules cannot be prejudicial to other Member States; to this end it may take any appropriate measures as regards relations between Member States.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPEERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

PROTOCOL
on the treatment to be applied to
PRODUCTS WITHIN THE PROVINCE OF
THE EUROPEAN
COAL AND STEEL COMMUNITY
IN RESPECT OF ALGERIA
AND THE OVERSEAS DEPARTMENTS
OF THE FRENCH REPUBLIC

THE HIGH CONTRACTING PARTIES,

CONSCIOUS of the fact that the provisions of this Treaty relating to Algeria and the overseas departments of the French Republic raise the problem of the treatment to be applied, in respect of Algeria and those departments, to products covered by the Treaty establishing the European Coal and Steel Community.

DESIRING to seek an appropriate solution in harmony with the principles of the two Treaties,

UNDERTAKE to settle this problem in a spirit of mutual cooperation within the shortest possible time and not later than the first revision of the Treaty establishing the European Coal and Steel Community.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

PROTOCOL
on
MINERAL OILS
AND CERTAIN OF THEIR DERIVATIVES

THE HIGH CONTRACTING PARTIES,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty :

1. Each Member State may, for a period of six years after this Treaty enters into force, maintain in regard to other Member States and third countries the customs duties and charges having equivalent effect applied to products falling within headings Nos. 27.09, 27.10, 27.11, 27.12 and ex 27.13 (paraffin wax, microcrystalline wax, slack wax and scale wax) of the Brussels Nomenclature on 1 January 1957 or, if lower, on the date when this Treaty enters into force. The duty to be maintained on crude oils shall not, however, be such as to result in an increase of more than 5 per cent in the difference existing on 1 January 1957 between the duties on crude oils and those on the derivatives referred to above. Where no such difference exists, any difference subsequently introduced shall not exceed 5% of the duty which applied on 1 January 1957 to products falling within heading No. 27.09. If, before the end of this period of six years, a reduction is made in the customs duties or charges having equivalent effect in respect of products falling within heading No. 27.09, a corresponding reduction shall be made in any customs duties or charges having equivalent effect imposed on the other products referred to above.

At the end of this period, the duties maintained in accordance with the preceding subparagraph shall be completely abolished in respect of other Member States. At the same time, the common customs tariff shall be applicable to third countries.

2. Any aids to the production of mineral oils falling within heading No. 27.09 of the Brussels Nomenclature shall, where such aids prove necessary in order to bring the price of crude oils down to the world market price c.i.f.

European port of a Member State, be governed by Article 92 (3)(c) of this Treaty. The Commission shall, during the first two stages, make use of the powers provided under Article 93 only to the extent required to prevent such aids being misused.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

PROTOCOL
on the
APPLICATION OF THE TREATY
establishing
THE EUROPEAN
ECONOMIC COMMUNITY
TO THE NON-EUROPEAN PARTS
OF THE KINGDOM OF THE NETHERLANDS

I/E

THE HIGH CONTRACTING PARTIES,

ANXIOUS, at the time of signature of the Treaty establishing the European Economic Community, to define the scope of the provisions of Article 227 of this Treaty in respect of the Kingdom of the Netherlands,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty :

The Government of the Kingdom of the Netherlands, by reason of the constitutional structure of the Kingdom resulting from the Statute of 29 December 1954, shall, by way of derogation from Article 227, be entitled to ratify the Treaty on behalf of the Kingdom in Europe and Netherlands New Guinea only.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

PROTOCOLS
on the
PRIVILEGES AND IMMUNITIES
and on the
STATUTE OF THE COURT OF JUSTICE
of the
EUROPEAN ECONOMIC COMMUNITY

I/E

PROTOCOL

ON THE

PRIVILEGES AND IMMUNITIES

THE HIGH CONTRACTING PARTIES TO THE TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY,

CONSIDERING that, in accordance with Article 218 of this Treaty, the Community shall enjoy in the territories of the Member States such privileges and immunities as are necessary for the performance of its tasks, under the conditions laid down in a separate Protocol,

CONSIDERING also that, in accordance with Article 28 of the Protocol on the Statute of the European Investment Bank, the Bank shall enjoy the privileges and immunities laid down in the Protocol referred to in the preceding paragraph,

HAVE DESIGNATED as their Plenipotentiaries to draw up this Protocol :

HIS MAJESTY THE KING OF THE BELGIANS :

Baron J. Ch. SNOY et d'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY :

Professor Dr. Carl Friedrich OPHÜLS, Ambassador of the Federal Republic of Germany, Head of the German Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FRENCH REPUBLIC :

Mr. Robert MARJOLIN, Professor of Law, Deputy Head of the French Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE ITALIAN REPUBLIC :

Mr. V. BADINI CONFALONIERI, Under-Secretary of State in the Ministry of Foreign Affairs, Head of the Italian Delegation to the Intergovernmental Conference;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG.:

Mr. Lambert SCHAUS, Ambassador of the Grand Duchy of Luxembourg, Head of the Luxembourg Delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS :

Mr. J. LINTHORST HOMAN, Head of the Netherlands Delegation to the Intergovernmental Conference;

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED on the following provisions which shall be annexed to the Treaty establishing the European Economic Community.

Chapter 1

PROPERTY, FUNDS, ASSETS AND OPERATIONS OF THE COMMUNITY

ARTICLE 1

The premises and buildings of the Community shall be inviolable. They shall be exempt from search, requisition, confiscation or expropriation. The property and assets of the Community shall not be the subject of any administrative or legal measure of constraint without the authorisation of the Court of Justice.

ARTICLE 2

The archives of the Community shall be inviolable.

ARTICLE 3

The Community, its assets, revenues and other property shall be exempt from all direct taxes.

The Governments of the Member States shall, wherever possible, take the appropriate measures to remit or refund the amount of indirect taxes or sales taxes included in the price of movable or immovable property, where the Community makes, for its official use, substantial purchases the price of which includes taxes of this kind. These provisions shall not be applied, however, so as to have the effect of distorting competition within the Community.

No exemption shall be granted in respect of taxes and dues which amount merely to charges for public utility services.

ARTICLE 4

The Community shall be exempt from all customs duties, prohibitions and restrictions on imports and exports in respect of articles intended for its official use; articles so imported shall not be disposed of, whether or not in return for payment, in the territory of the country into which they have been imported, except under conditions approved by the Government of that country.

The Community shall also be exempt from any customs duties and any prohibitions and restrictions on imports and exports in respect of its publications.

Chapter 2

COMMUNICATIONS AND LAISSEZ-PASSER

ARTICLE 5

For their official communications and the transmission of all their documents, the institutions of the Community shall enjoy in the territory of each Member State the treatment accorded by that State to diplomatic missions.

Official correspondence and other official communications of the institutions of the Community shall not be subject to censorship.

ARTICLE 6

Laissez-passer in a form to be prescribed by the Council, which shall be recognised as valid travel documents by the authorities of the Member States, may be issued to members and servants of the institutions of the Community by the Presidents of these institutions. These laissez-passer shall be issued to officials and other servants under conditions laid down in the Staff Regulations and Conditions of Employment provided for in Article 212 of this Treaty.

The Commission may conclude agreements for these laissez-passer to be recognised as valid travel documents within the territory of third countries.

Chapter 3

MEMBERS OF THE ASSEMBLY

ARTICLE 7

No administrative or other restriction shall be imposed on the free movement of members of the Assembly travelling to or from the place of meeting of the Assembly.

Members of the Assembly shall, in respect of customs and exchange control, be accorded :

(a) by their own Government, the same facilities as those accorded to senior officials travelling abroad on temporary official missions;

(b) by the Governments of other Member States, the same facilities as those accorded to representatives of foreign Governments on temporary official missions.

ARTICLE 8

Members of the Assembly shall not be subject to any form of inquiry, detention or legal proceedings in respect of opinions expressed or votes cast by them in the performance of their duties.

ARTICLE 9

During the sessions of the Assembly, its members shall enjoy :

(a) in the territory of their own State, the immunities accorded to members of their parliament;

(b) in the territory of any other Member State, immunity from any measure of detention and from legal proceedings.

Immunity shall likewise apply to members while they are travelling to and from the place of meeting of the Assembly.

Immunity cannot be claimed when a member is found in the act of committing an offence and shall not prevent the Assembly from exercising its right to waive the immunity of one of its members.

Chapter 4

REPRESENTATIVES OF MEMBER STATES TAKING PART IN THE WORK OF THE INSTITUTIONS OF THE COMMUNITY

ARTICLE 10

Representatives of Member States taking part in the work of the institutions of the Community, their advisers and technical experts shall, in the performance of their duties and during their travel to and from the place of meeting, enjoy the customary privileges, immunities and facilities.

This Article shall also apply to members of the advisory bodies of the Community.

Chapter 5

OFFICIALS AND OTHER SERVANTS OF THE COMMUNITY

ARTICLE 11

In the territory of each Member State and whatever their nationality, the officials and other servants of the Community referred to in Article 212 of this Treaty shall :

(a) subject to the provisions of Articles 179 and 215 of this Treaty, be immune from legal proceedings in respect of acts performed by them in their

official capacity, including their words spoken or written; they shall continue to enjoy this immunity after they have ceased to hold office;

(b) together with their spouses and dependent members of their families, not be subject to immigration restrictions or to formalities for the registration of aliens;

(c) in respect of currency or exchange regulations, be accorded the same facilities as are customarily accorded to officials of international organisations;

(d) enjoy the right to import free of duty from the country of their last residence or from the country of which they are nationals, their furniture and effects at the time of first taking up their post in the country concerned, and the right to re-export free of duty their furniture and effects, on termination of their duties in that country, subject in either case to the conditions considered to be necessary by the Government of the country in which this right is exercised;

(e) have the right to import free of duty a motor car for their personal use, acquired either in the country of their last residence or in the country of which they are nationals on the terms ruling in the home market in that country, and to re-export it free of duty, subject in either case to the conditions considered to be necessary by the Government of the country concerned.

ARTICLE 12

Officials and other servants of the Community shall be liable to a tax for the benefit of the Community on salaries, wages and emoluments paid to them by the Community, in accordance with the conditions and procedure laid down by the Council, acting on proposals submitted by the Commission within one year of the entry into force of this Treaty.

They shall be exempt from national taxes on salaries, wages and emoluments paid by the Community.

ARTICLE 13

In the application of income tax, wealth tax and death duties and in the application of conventions on the avoidance of double taxation concluded between Member States of the Community, officials and other servants of the

Community who, solely by reason of the performance of their duties in the service of the Community, establish their residence in the territory of a Member State other than their country of domicile for tax purposes at the time of entering the service of the Community, shall be considered, both in the country of their actual residence and in the country of domicile for tax purposes, as having maintained their domicile in the latter country provided that it is a member of the Community. This provision shall also apply to a spouse, to the extent that the latter is not separately engaged in a gainful occupation, and to children dependent on and in the care of the persons referred to in this Article.

Movable property belonging to persons referred to in the preceding paragraph and situated in the territory of the country where they are staying shall be exempt from death duties in that country; such property shall, for the assessment of such duty, be considered as being in the country of domicile for tax purposes, subject to the rights of third countries and to the possible application of provisions of international conventions on double taxation.

Any domicile acquired solely by reason of the performance of duties in the service of other international organisations shall not be taken into consideration in applying the provisions of this Article.

ARTICLE 14

The Council shall, acting unanimously on a proposal which the Commission shall make within one year of the entry into force of this Treaty, lay down the scheme of social security benefits for officials and other servants of the Community.

ARTICLE 15

The Council shall, acting on a proposal from the Commission and after consulting the other institutions concerned, determine the categories of officials and other servants of the Community to whom the provisions of Article 11, the second paragraph of Article 12, and Article 13 shall apply, in whole or in part.

The names, grades and addresses of officials and other servants included in such categories shall be communicated periodically to the Governments of the Member States.

Chapter 6

PRIVILEGES AND IMMUNITIES
OF MISSIONS ACCREDITED TO THE COMMUNITY

ARTICLE 16

The Member State in whose territory the Community has its seat shall accord the customary diplomatic immunities to missions of third countries accredited to the Community.

Chapter 7

GENERAL PROVISIONS

ARTICLE 17

Privileges, immunities and facilities shall be accorded to officials and other servants of the Community solely in the interests of the Community.

Each institution of the Community shall be required to waive the immunity accorded to an official or other servant wherever that institution considers that the waiver of such immunity is not contrary to the interests of the Community.

ARTICLE 18

The institutions of the Community shall, for the purpose of applying this Protocol, cooperate with the responsible authorities of the Member States concerned.

ARTICLE 19

Articles 11 to 14 and Article 17 shall apply to members of the Commission.

ARTICLE 20

Articles 11 to 14 and Article 17 shall apply to the Judges, the Advocates-General, the Registrar and the Assistant Rapporteurs of the Court of Justice, without prejudice to the provisions of Article 3 of the Protocol on the Statute of the Court of Justice concerning immunity from legal proceedings of Judges and Advocates-General.

ARTICLE 21

This Protocol shall also apply to the European Investment Bank, to the members of its organs, to its staff and to the representatives of the Member States taking part in its activities, without prejudice to the provisions of the Protocol on the Statute of the Bank.

The European Investment Bank shall in addition be exempt from any form of taxation or imposition of a like nature on the occasion of its formation and of any increase in its capital and from the various formalities which may be connected therewith in the State where the Bank has its seat. Similarly, its dissolution or liquidation shall not give rise to any imposition. Finally, the activities of the Bank and of its organs carried on in accordance with its Statute, shall not be subject to any turnover tax.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have signed this Protocol.

Done at Brussels this seventeenth day of April in the year one thousand nine hundred and fifty-seven.

J. Ch. SNOY et d'OPPUERS.

C. F. OPHÜLS.

Robert MARJOLIN.

Vittorio BADINI.

Lambert SCHAUS.

J. LINTHORST HOMAN.

PROTOCOL

ON THE

STATUTE OF THE COURT OF JUSTICE

I/E

THE HIGH CONTRACTING PARTIES TO THE TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY,

DESIRING to lay down the Statute of the Court provided for in Article 188 of this Treaty,

HAVE DESIGNATED as their Plenipotentiaries for this purpose :

HIS MAJESTY THE KING OF THE BELGIANS :

Baron J. Ch. SNOY et d'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY :

Professor Dr. Carl Friedrich OPHÜLS, Ambassador of the Federal Republic of Germany, Head of the German Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FRENCH REPUBLIC :

Mr. Robert MARJOLIN, Professor of Law, Deputy Head of the French Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE ITALIAN REPUBLIC :

Mr. V. BADINI CONFALONIERI, Under-Secretary of State in the Ministry of Foreign Affairs, Head of the Italian Delegation to the Intergovernmental Conference;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG :

Mr. Lambert SCHAUS, Ambassador of the Grand Duchy of Luxembourg, Head of the Luxembourg Delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS :

Mr. J. LINTHORST HOMAN, Head of the Netherlands Delegation to the Intergovernmental Conference;

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED upon the following provisions, which shall be annexed to the Treaty establishing the European Economic Community.

ARTICLE 1

The Court established by Article 4 of this Treaty shall be constituted and shall function in accordance with the provisions of this Treaty and of this Statute.

Title I

JUDGES AND ADVOCATES-GENERAL

ARTICLE 2

Before taking up his duties each Judge shall, in open court, take an oath to perform his duties impartially and conscientiously and to preserve the secrecy of the deliberations of the Court.

ARTICLE 3

The Judges shall be immune from legal proceedings. After they have ceased to hold office, they shall continue to enjoy immunity in respect of acts performed by them in their official capacity, including words spoken or written.

The Court, sitting in plenary session, may waive the immunity.

Where immunity has been waived and criminal proceedings are instituted against a Judge, he shall be tried, in any of the Member States, only by the Court competent to judge the members of the highest national judiciary.

ARTICLE 4

The Judges may not hold any political or administrative office.

They may not engage in any occupation, whether gainful or not, unless exemption is exceptionally granted by the Council.

When taking up their duties, they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations arising therefrom, in particular the duty to behave with integrity and discretion as regards the acceptance, after they have ceased to hold office, of certain appointments or benefits.

Any doubt on this point shall be settled by decision of the Court.

ARTICLE 5

Apart from normal replacement, or death, the duties of a Judge shall end when he resigns.

Where a Judge resigns, his letter of resignation shall be addressed to the President of the Court for transmission to the President of the Council. Upon this notification a vacancy shall arise on the bench.

Save where Article 6 applies, a Judge shall continue to hold office until his successor takes up his duties.

ARTICLE 6

A Judge may be deprived of his office or of his right to a pension or other benefits in its stead only if, in the unanimous opinion of the Judges and Advocates-General of the Court, he no longer fulfils the requisite conditions or meets the obligations arising from his office. The Judge concerned shall not take part in any such deliberations.

The Registrar of the Court shall communicate the decision of the Court to the President of the Assembly and to the President of the Commission and shall notify it to the President of the Council.

In the case of a decision depriving a Judge of his office, a vacancy shall arise on the bench upon this latter notification.

ARTICLE 7

A Judge who is to replace a member of the Court whose term of office has not expired shall be appointed for the remainder of his predecessor's term.

ARTICLE 8

The provisions of Articles 2 to 7 shall apply to the Advocates-General.

Title II

ORGANISATION

ARTICLE 9

The Registrar shall take an oath before the Court to perform his duties impartially and conscientiously and to preserve the secrecy of the deliberations of the Court.

ARTICLE 10

The Court shall arrange for replacement of the Registrar on occasions when he is prevented from attending the Court.

ARTICLE 11

Officials and other servants shall be attached to the Court to enable it to function. They shall be responsible to the Registrar under the authority of the President.

ARTICLE 12

On a proposal from the Court, the Council may, acting unanimously, provide for the appointment of Assistant Rapporteurs and lay down the rules governing their service. The Assistant Rapporteurs may be required, under conditions laid down in the rules of procedure, to participate in preparatory inquiries in cases pending before the Court and to cooperate with the Judge who acts as Rapporteur.

The Assistant Rapporteurs shall be chosen from persons whose independence is beyond doubt and who possess the necessary legal qualifications; they shall be appointed by the Council. They shall take an oath before the Court to perform their duties impartially and conscientiously and to preserve the secrecy of the deliberations of the Court.

ARTICLE 13

The Judges, the Advocates-General and the Registrar shall be required to reside at the place where the Court has its seat.

ARTICLE 14

The Court shall remain permanently in session. The duration of the judicial vacations shall be determined by the Court with due regard to the needs of its business.

ARTICLE 15

Decisions of the Court shall be valid only when an uneven number of its members is sitting in the deliberations. Decisions of the full Court shall be valid if five members are sitting. Decisions of the Chambers shall be valid only if three Judges are sitting; in the event of one of the Judges of a Chamber being prevented from attending, a Judge of another Chamber may be called upon to sit in accordance with conditions laid down in the rules of procedure.

ARTICLE 16

No Judge or Advocate-General may take part in the disposal of any case in which he has previously taken part as agent or adviser or has acted for one of the parties, or on which he has been called upon to pronounce as a Member of a court or tribunal, of a commission of inquiry or in any other capacity.

If, for some special reason, any Judge or Advocate-General considers that he should not take part in the judgment or examination of a particular case, he shall so inform the President. If, for some special reason, the President considers that any Judge or Advocate-General should not sit or make submissions in a particular case, he shall notify him accordingly.

Any difficulty arising as to the application of this Article shall be settled by decision of the Court.

A party may not apply for a change in the composition of the Court or of one of its Chambers on the grounds of either the nationality of a Judge or the absence from the Court or from the Chamber of a Judge of the nationality of that party.

Title III

PROCEDURE

ARTICLE 17

The States and the institutions of the Community shall be represented before the Court by an agent appointed for each case; the agent may be assisted by an adviser or by a lawyer entitled to practise before a court of a Member State.

Other parties must be represented by a lawyer entitled to practise before a court of a Member State.

Such agents, advisers and lawyers shall, when they appear before the Court, enjoy the rights and immunities necessary to the independent exercise of their duties, under conditions laid down in the rules of procedure.

As regards such advisers and lawyers who appear before it, the Court shall have the powers normally accorded to courts of law, under conditions laid down in the rules of procedure.

University teachers being nationals of a Member State whose law accords them a right of audience shall have the same rights before the Court as are accorded by this Article to lawyers entitled to practise before a court of a Member State.

ARTICLE 18

The procedure before the Court shall consist of two parts: written and oral.

The written procedure shall consist of the communication to the parties and to the institutions of the Community whose decisions are in dispute, of applications, statements of case, defences and observations, and of replies, if any, as well as of all papers and documents in support or of certified copies of them.

Communications shall be made by the Registrar in the order and within the time laid down in the rules of procedure.

The oral procedure shall consist of the reading of the report presented by a Judge acting as Rapporteur, the hearing by the Court of agents, advisers and lawyers entitled to practise before a court of a Member State and of the submissions of the Advocate-General, as well as the hearing, if any, of witnesses and experts.

ARTICLE 19

A case shall be brought before the Court by a written application addressed to the Registrar. The application shall contain the applicant's name and permanent address and the description of the signatory, the name of the party against whom the application is made, the subject matter of the dispute, the submissions and a brief statement of the grounds on which the application is based.

The application shall be accompanied, where appropriate, by the measure the annulment of which is sought or, in the circumstances referred to in Article 175 of this Treaty, by documentary evidence of the date on which an institution was, in accordance with that Article, requested to act. If the documents are not submitted with the application, the Registrar shall ask the party concerned to produce them within a reasonable period, but in that event the rights of the party shall not lapse even if such documents are produced after the time limit for bringing proceedings.

ARTICLE 20

In the cases governed by Article 177 of this Treaty, the decision of the Court or tribunal of a Member State which suspends its proceedings and refers a case to the Court shall be notified to the Court by the court or tribunal concerned. The decision shall then be notified by the Registrar of the Court to the parties, to the Member States and to the Commission, and also to the Council if the act the validity or interpretation of which is in dispute originates from the Council.

Within two months of this notification, the parties, the Member States, the Commission and, where appropriate, the Council, shall be entitled to submit statements of case or written observations to the Court.

ARTICLE 21

The Court may require the parties to produce all documents and to supply all information which the Court considers desirable. Formal note shall be taken of any refusal.

The Court may also require the Member States and institutions not being parties to the case to supply all information which the Court considers necessary for the proceedings.

ARTICLE 22

The Court may at any time entrust any individual, body, authority, committee or other organisation it chooses with the task of giving an expert opinion.

ARTICLE 23

Witnesses may be heard under conditions laid down in the rules of procedure.

ARTICLE 24

With respect to defaulting witnesses the Court shall have the powers generally granted to courts and tribunals and may impose pecuniary penalties under conditions laid down in the rules of procedure.

ARTICLE 25

Witnesses and experts may be heard on oath taken in the form laid down in the rules of procedure or in the manner laid down by the law of the country of the witness or expert.

ARTICLE 26

The Court may order that a witness or expert be heard by the judicial authority of his place of permanent residence.

The order shall be sent for implementation to the competent judicial authority under conditions laid down in the rules of procedure. The documents drawn up in compliance with the letters rogatory shall be returned to the Court under the same conditions.

The Court shall defray the expenses, without prejudice to the right to charge them, where appropriate, to the parties.

ARTICLE 27

A Member State shall treat any violation of an oath by a witness or expert in the same manner as if the offence had been committed before one of its courts with jurisdiction in civil proceedings. At the instance of the Court, the Member State concerned shall prosecute the offender before its competent court.

ARTICLE 28

The hearing in court shall be public, unless the Court, of its own motion or on application by the parties, decides otherwise for serious reasons.

ARTICLE 29

During the hearings the Court may examine the experts, the witnesses and the parties themselves. The latter, however, may address the Court only through their representatives.

ARTICLE 30

Minutes shall be made of each hearing and signed by the President and the Registrar.

ARTICLE 31

The cause list shall be established by the President.

ARTICLE 32

The deliberations of the Court shall be and shall remain secret.

ARTICLE 33

Judgments shall state the reasons on which they are based. They shall contain the names of the Judges who took part in the deliberations.

ARTICLE 34

Judgments shall be signed by the President and the Registrar. They shall be read in open court.

ARTICLE 35

The Court shall adjudicate upon costs.

ARTICLE 36

The President of the Court may, by way of summary procedure, which may, in so far as necessary, differ from some of the rules contained in this Statute and which shall be laid down in the rules of procedure, adjudicate

upon applications to suspend execution, as provided for in Article 185 of this Treaty, or to prescribe interim measures in pursuance of Article 186, or to suspend enforcement in accordance with the last paragraph of Article 192.

Should the President be prevented from attending, his place shall be taken by another Judge under conditions laid down in the rules of procedure.

The ruling of the President or of the Judge replacing him shall be provisional and shall in no way prejudice the decision of the Court on the substance of the case.

ARTICLE 37

Member States and institutions of the Community may intervene in cases before the Court.

The same right shall be open to any other person establishing an interest in the result of any case submitted to the Court, save in cases between Member States, between institutions of the Community or between Member States and institutions of the Community.

Submissions made in an application to intervene shall be limited to supporting the submissions of one of the parties.

ARTICLE 38

Where the defending party, after having been duly summoned, fails to file written submissions in defence, judgment shall be given against that party by default. An objection may be lodged against the judgment within one month of it being notified. The objection shall not have the effect of staying enforcement of the judgment by default unless the Court decides otherwise.

ARTICLE 39

Member States, institutions of the Community and any other natural or legal persons may, in cases and under conditions to be determined by the rules of procedure, institute third-party proceedings to contest a judgment rendered without their being heard, where the judgment is prejudicial to their rights.

ARTICLE 40

If the meaning or scope of a judgment is in doubt, the Court shall construe it on application by any party or any institution of the Community establishing an interest therein.

ARTICLE 41

An application for revision of a judgment may be made to the Court only on discovery of a fact which is of such a nature as to be a decisive factor, and which, when the judgment was given, was unknown to the Court and to the party claiming the revision.

The revision shall be opened by a judgment of the Court expressly recording the existence of a new fact, recognising that it is of such a character as to lay the case open to revision and declaring the application admissible on this ground.

No application for revision may be made after the lapse of ten years from the date of the judgment.

ARTICLE 42

Periods of grace based on considerations of distance shall be determined by the rules of procedure.

No right shall be prejudiced in consequence of the expiry of a time limit if the party concerned proves the existence of unforeseeable circumstances or of force majeure.

ARTICLE 43

Proceedings against the Community in matters arising from non-contractual liability shall be barred after a period of five years from the occurrence of the event giving rise thereto. The period of limitation shall be interrupted if proceedings are instituted before the Court or if prior to such proceedings an application is made by the aggrieved party to the relevant institution of the Community. In the latter event the proceedings must be instituted within the period of two months provided for in Article 173; the provisions of the second paragraph of Article 175 shall apply where appropriate.

ARTICLE 44

The rules of procedure of the Court provided for in Article 188 of this Treaty shall contain, apart from the provisions contemplated by this Statute, any other provisions necessary for applying and, where required, supplementing it.

ARTICLE 45

The Council may, acting unanimously, make such further adjustments to the provisions of this Statute as may be required by reason of measures taken by the Council in accordance with the last paragraph of Article 165 of this Treaty.

ARTICLE 46

Immediately after the oath has been taken, the President of the Council shall proceed to choose by lot the Judges and the Advocates-General whose terms of office are to expire at the end of the first three years in accordance with the second and third paragraphs of Article 167 of this Treaty.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have signed this Protocol.

Done at Brussels this seventeenth day of April in the year one thousand nine hundred and fifty-seven.

J. Ch. SNOY et d'OPPUERS.

C.F. OPHÜLS.

Robert MARJOLIN.

Vittorio BADINI CONFALONIERI.

Lambert SCHAUS.

J. LINTHORST HOMAN.

III

Convention

I/E

299-300

IMPLEMENTING CONVENTION

on the

ASSOCIATION OF THE OVERSEAS COUNTRIES

AND TERRITORIES

WITH THE COMMUNITY

I/E

THE HIGH CONTRACTING PARTIES,

DESIRING to enter into the Implementing Convention provided for in Article 136 of this Treaty,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty :

ARTICLE 1

The Member States shall, under the conditions laid down below, participate in measures which will promote the social and economic development of the countries and territories listed in Annex IV to this Treaty, by supplementing the efforts made by the authorities responsible for those countries and territories.

For this purpose, a Development Fund for the Overseas Countries and Territories is hereby established, into which the Member States shall, over a period of five years, pay the annual contributions set out in Annex A to this Convention.

The Fund shall be administered by the Commission.

ARTICLE 2

The authorities responsible for the countries and territories shall, in agreement with the local authorities or with the representatives of the peoples of the countries and territories concerned, submit to the Commission the social or economic projects for which financing by the Community is requested.

ARTICLE 3

The Commission shall draw up annually general programmes for allocation to the different classes of project of the funds made available in accordance with Annex B to this Convention.

The general programmes shall contain projects for financing :

(a) certain social institutions, in particular hospitals, teaching or technical research establishments and institutions for vocational guidance and advancement among the peoples concerned;

(b) economic investments which are in the public interest and are directly connected with the implementation of a programme containing specific productive development projects.

ARTICLE 4

At the beginning of each financial year the Council shall, acting by a qualified majority after consulting the Commission, determine what funds will be devoted to financing :

(a) the social institutions referred to in Article 3 (a);

(b) the economic investments in the public interest referred to in Article 3 (b).

The decision of the Council shall aim at a rational geographical distribution of the funds made available.

ARTICLE 5

1. The Commission shall determine how the funds made available under Article 4 (a) shall be allocated according to the various requests received for the financing of social institutions.

2. The Commission shall draw up proposals for financing the economic investment projects which it is considering under Article 4 (b).

It shall submit these proposals to the Council.

If, within one month, no Member State requests that the Council examine the proposals, they shall be deemed to be approved.

If the Council examines the proposals, it shall act by a qualified majority within two months.

3. Any funds not allocated during any one year shall be carried forward to the following years.

4. The funds allocated shall be made available to the authorities responsible for carrying out the work concerned. The Commission shall ensure that such funds are used for the purposes which have been decided upon, and are expended to the best economic advantage.

ARTICLE 6

Within six months of the entry into force of this Treaty, the Council shall, acting by a qualified majority on a proposal from the Commission, lay down rules for the collection and transfer of financial contributions, for budgeting and for the administration of the resources of the Development Fund.

ARTICLE 7

The qualified majority referred to in Article 4, 5 und 6 shall be 67 votes. Member States shall have the following number of votes :

Belgium	11 votes
Germany	33 votes
France	33 votes
Italy	11 votes
Luxembourg	1 vote
Netherlands	11 votes

ARTICLE 8

The right of establishment shall, in each country or territory, be progressively extended to nationals, companies or firms of Member States other than the State which has special relations with the country or territory concerned. During the first year in which this Convention is applied, the manner in which this is to be effected shall be so determined by the Council, acting by a qualified majority on a proposal from the Commission, as to ensure the progressive abolition during the transitional period of any discrimination.

ARTICLE 9

The customs treatment to be applied to trade between Member States and the countries and territories shall be that provided for in Articles 133 and 134 of this Treaty.

ARTICLE 10

For the duration of this Convention, Member States shall apply to their trade with the countries and territories those provisions of the Chapter of this Treaty relating to the elimination of quantitative restrictions between Member States which they apply to trade with one another during the same period.

ARTICLE 11

1. In each country or territory where import quotas exist, one year after this Convention enters into force, the quotas open to States other than the State with which such country or territory has special relations shall be converted into global quotas open without discrimination to the other Member States. As from the same date, these quotas shall be increased annually in accordance with Article 32 and Article 33 (1), (2), (4), (5), (6) and (7) of this Treaty.

2. Where, in the case of a product which has not been liberalised, the global quota does not amount to 7 % of total imports into a country or territory, a quota equal to 7 % of such imports shall be introduced not later than one year after the entry into force of this Convention, and shall be increased annually in accordance with paragraph 1.

3. Where, in the case of certain products, no quota has been opened for imports into a country or territory, the Commission shall, by means of a decision, determine the manner in which the quotas to be offered to other Member States shall be opened and increased.

ARTICLE 12

Where import quotas established by Member States cover both imports from a State having special relations with a country or territory and imports from the country or territory concerned, the share of imports from the countries

and territories shall be the subject of a global quota based on import statistics. Any such quota shall be established during the first year in which this Convention is in force and shall be increased as provided for in Article 10.

ARTICLE 13

The provisions of Article 10 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality; public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade.

ARTICLE 14

After the date of expiry of this Convention and until provisions covering association for a further period have been adopted, quotas for imports into the countries and territories on the one hand, and into the Member States on the other, of products originating in the countries and territories shall remain at the level set for the fifth year. The arrangements in respect of the right of establishment in force at the end of the fifth year shall also be maintained.

ARTICLE 15

1. Tariff quotas for imports from third countries of raw coffee into Italy and the Benlux countries, and of bananas into the Federal Republic of Germany, shall be introduced in accordance with the Protocols annexed to this Convention.
2. If this Convention expires before the conclusion of a new agreement, the Member States shall, pending such new agreement, enjoy tariff quotas for bananas, cocoa beans and raw coffee at the rates of duty applying at the

beginning of the second stage; such quotas shall be equal to the volume of imports from third countries in the course of the latest year for which statistics are available.

Such quotas shall, where appropriate, be increased in proportion to the increase in consumption within the importing countries.

3. Member States enjoying tariff quotas at the rates of duty applied when this Treaty enters into force under the Protocols relating to imports of raw coffee and bananas from third countries may require that, instead of the treatment provided for in paragraph 2, the tariff quotas for these products be maintained at the level reached at the date of expiry of this Convention.

Such quotas shall, where appropriate, be increased as provided in paragraph 2.

4. The Commission shall, at the request of the States concerned, determine the size of the tariff quotas referred to in the preceding paragraphs.

ARTICLE 16

The provisions contained in Articles 1 to 8 of this Convention shall apply to Algeria and the French overseas departments.

ARTICLE 17

Without prejudice to cases in which the provisions of Articles 14 and 15 apply, this Convention is concluded for a period of five years.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

Annex A referred to in Article 1 of this Convention

	1st year	2nd year	3rd year	4th year	5th year	Total
Percentages	10 %	12.5 %	16.5 %	22.5 %	38.5 %	100 %
Countries	MILLIONS OF EPU UNITS OF ACCOUNT					
Belgium	7	8.75	11.55	15.75	26.95	70
Germany	20	25	33	45	77	200
France	20	25	33	45	77	200
Italy	4	5	6.60	9	15.40	40
Luxembourg	0.125	0.15625	0.20625	0.28125	0.48125	1.25
Netherlands	7	8.75	11.55	15.75	26.95	70

Annex B referred to in Article 3 of this Convention

	1st year	2nd year	3rd year	4th year	5th year	Total
Percentages	10 %	12.5 %	16.5 %	22.5 %	38.5 %	100 %
Overseas countries and territories of	MILLIONS OF EPU UNITS OF ACCOUNT					
Belgium	3	3.75	4.95	6.75	11.55	30
France	51.125	63.906	84.356	115.031	196.832	511.25
Italy	0.5	0.625	0.825	1.125	1.925	5
Netherlands	3.5	4.375	5.775	7.875	13.475	35

PROTOCOL

ON THE TARIFF QUOTA

FOR IMPORTS OF BANANAS

(ex 08.01 of the Brussels Nomenclature)

I/E

THE HIGH CONTRACTING PARTIES ,

HAVE AGREED upon the following provisions, which shall be annexed to this Convention :

1. From the first approximation of external duties provided for in Article 23 (1) (b) of this Treaty until the end of the second stage, the Federal Republic of Germany shall enjoy an annual duty-free import quota equal to 90% of the quantities imported in 1956, less the quantities coming from the countries and territories referred to in Article 131 of this Treaty.
2. From the end of the second stage until the end of the third stage, the quota shall be 80% of the quantity defined above.
3. The annual quotas determined in paragraphs 1 and 2 shall be increased by 50% of the difference between the total quantities imported during each preceding year and the quantities imported in 1956.

If total imports decrease in comparison with those for 1956, the annual quotas provided for above shall not exceed 90% of the imports for each preceding year during the period referred to in paragraph 1, or 80% of the imports for each preceding year during the period referred to in paragraph 2.

4. As soon as the common customs tariff applies in its entirety, the quota shall be 75% of the imports for 1956. This quota shall be increased as provided in the first subparagraph of paragraph 3.

If imports have decreased in comparison with those for 1956, the annual quota provided for above shall not exceed 75% of the imports for each preceding year.

Any decision to abolish or amend this quota shall be taken by the Council, acting by a qualified majority on a proposal from the Commission.

5. The figure for imports for 1956, less imports from the countries and territories referred to in Article 131 of this Treaty, which in accordance with the above provisions is to serve as the basis for calculating quotas, is 290,000 metric tons.

6. If the countries and territories are unable to supply in full the quantities requested by the Federal Republic of Germany, the Member States concerned declare their readiness to agree to a corresponding increase in the German tariff quota.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

At the time of signature of this Protocol, the Plenipotentiary of the Federal Republic of Germany made, on behalf of his Government, the following declaration, of which the other Plenipotentiaries took note:

The Federal Republic of Germany declares its readiness to support any measures that may be taken by German private interests to encourage sales of bananas from the associated overseas countries and territories within the Federal Republic.

For this purpose, negotiations shall be started as soon as possible between business circles in the various countries concerned in the supply and sale of bananas.

PROTOCOL

ON THE TARIFF QUOTA

FOR IMPORTS OF RAW COFFEE

(ex 09.01 of the Brussels Nomenclature)

I/E

THE HIGH CONTRACTING PARTIES,

HAVE AGREED upon the following provisions, which shall be annexed to this Convention :

A. Italy

During the first period of association of the overseas countries and territories with the Community and after the first change in customs duties in accordance with Article 23 of this Treaty, raw coffee imported from third countries into the territory of Italy, within an annual quota equal to the total imports into Italy of raw coffee from third countries in 1956, shall be subject to the customs duties applicable at the date of entry into force of this Treaty.

From the sixth year after the entry into force of this Treaty until the end of the second stage, the initial quota provided for in the preceding paragraph shall be reduced by 20%.

From the beginning of the third stage and throughout that stage, the quota shall be 50% of the initial quota.

For four years after the end of the transitional period, customs duties on raw coffee imported into Italy may, up to an amount not exceeding 20% of the initial quota, continue to be charged at the rate applied in that country at the date of entry into force of this Treaty.

The Commission shall examine whether the percentage and the period provided for in the preceding paragraph are justified.

The provisions of this Treaty shall apply to any quantities imported in excess of the quotas provided for above.

B. The Benelux Countries

From the beginning of the second stage and throughout that stage, raw coffee imported from third countries into the territories of the Benelux countries may continue to be imported free of customs duty, up to a tonnage of 85% of the total quantity of raw coffee imported during the last year for which statistics are available.

From the beginning of the third stage and throughout that stage, the duty-free imports referred to in the preceding paragraph shall be reduced to 50% of the total tonnage of raw coffee imported during the last year for which statistics are available.

The provisions of this Treaty shall apply to any quantities imported in excess of the quotas provided for above.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

CONVENTION

on

CERTAIN INSTITUTIONS COMMON

TO THE EUROPEAN COMMUNITIES

I/E

HIS MAJESTY THE KING OF THE BELGIANS, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF THE ITALIAN REPUBLIC, HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS,

ANXIOUS to limit the number of institutions responsible for carrying out similar tasks in the European Communities which they have constituted,

HAVE DECIDED to create for these Communities certain single institutions and to this end have designated as their Plenipotentiaries :

HIS MAJESTY THE KING OF THE BELGIANS :

Mr. Paul-Henri SPAAK, Minister for Foreign Affairs;
Baron J. Ch. SNOY et d'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY :

Dr. Konard ADENAUER, Federal Chancellor;
Professor Dr. Walter HALLSTEIN, State Secretary of the Federal Foreign Office;

THE PRESIDENT OF THE FRENCH REPUBLIC :

Mr. Christian PINEAU, Minister for Foreign Affairs;
Mr. Maurice FAURE, Under-Secretary of State for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC :

Mr. Antonio SEGNI, President of the Council of Ministers;
Professor Gaetano MARTINO, Minister for Foreign Affairs;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG :

Mr. Joseph BECH, President of the Government, Minister for
Foreign Affairs;

Mr. Lambert SCHAUS, Ambassador, Head of the Luxembourg Delegation
to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS :

Mr. Joseph LUNS, Minister for Foreign Affairs;

Mr. J. LINTHORST HOMAN, Head of the Netherlands Delegation
to the Intergovernmental Conference.

WHO, having exchanged their Full Powers, found in good and due
form, have agreed as follows :

Section I

THE ASSEMBLY

ARTICLE 1

The powers and jurisdiction which the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community confer upon the Assembly shall be exercised, in accordance with those Treaties, by a single Assembly composed and designated as provided in Article 138 of the Treaty establishing the European Economic Community and in Article 108 of the Treaty establishing the European Atomic Energy Community.

ARTICLE 2

1. Upon taking up its duties, the single Assembly referred to in Article 1 shall take the place of the Common Assembly provided for in Article 21 of the Treaty establishing the European Coal and Steel Community. It shall exercise the powers and jurisdiction conferred upon the Common Assembly by that Treaty in accordance with the provisions thereof.

2. To this end, Article 21 of the Treaty establishing the European Coal and Steel Community shall be repealed on the date when the single Assembly referred to in Article 1 takes up its duties, and the following provisions substituted therefor :

" ARTICLE 21

1. The Assembly shall consist of delegates who shall be designated by the respective Parliaments from among their members in accordance with the procedure laid down by each Member State.

2. The number of these delegates shall be as follows :

Germany	36
Belgium	14
France	36
Italy	36
Luxembourg	6
Netherlands	14

3. The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

The Council shall, acting unanimously, lay down the appropriate provisions, which it shall recommend to Member States for adoption in accordance with their respective constitutional requirements."

Section II

THE COURT OF JUSTICE

ARTICLE 3

The jurisdiction which the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community confer upon the Court of Justice shall be exercised, in accordance with those Treaties, by a single Court of Justice composed and appointed as provided in Articles 165 to 167 of the Treaty establishing the European Economic Community and in Articles 137 to 139 of the Treaty establishing the European Atomic Energy Community.

ARTICLE 4

1. Upon taking up its duties, the single Court of Justice referred to in Article 3 shall take the place of the Court provided for in Article 32 of the Treaty establishing the European Coal and Steel Community. It shall exercise the jurisdiction conferred upon that Court by that Treaty in accordance with the provisions thereof.

The President of the single Court of Justice referred to in Article 3 shall exercise the powers conferred by the Treaty establishing the European Coal and Steel Community upon the President of the Court provided for in that Treaty.

2. To this end, on the date when the single Court of Justice referred to in Article 3 takes up its duties :

(a) Article 32 of the Treaty establishing the European Coal and Steel Community shall be repealed and the following provisions substituted therefor :

" ARTICLE 32

The Court shall consist of seven Judges.

The Court shall sit in plenary session. It may, however, form chambers, each consisting of three or five Judges, either to undertake certain preparatory inquiries or to adjudicate on particular categories of cases in accordance with rules laid down for these purposes.

Whenever the Court hears cases brought before it by a Member State or by one of the institutions of the Community or has to give preliminary rulings on questions submitted to it pursuant to Article 41, it shall sit in plenary session.

Should the Court so request, the Council may, acting unanimously, increase the number of Judges and make the necessary adjustments to the second and third paragraphs of this Article and to the second paragraph of Article 32b."

" ARTICLE 32a

The Court shall be assisted by two Advocates-General.

It shall be the duty of the Advocate-General acting with complete impartiality and independence, to make, in open court, reasoned submissions on cases brought before the Court, in order to assist the Court in the performance of the task assigned to it in Article 31.

Should the Court so request, the Council may, acting unanimously, increase the number of Advocates-General and make the necessary adjustments to the third paragraph of Article 32b."

" ARTICLE 32b

The Judges and Advocates-General shall be chosen from persons whose independence is beyond doubt and who possess the qualifications required for appointment to the highest judicial offices in their respective countries or who are jurisconsults of recognised competence; they shall be appointed by common accord of the Governments of the Member States for a term of six years.

Every three years there shall be a partial replacement of the Judges. Three and four Judges shall be replaced alternately. The three Judges whose terms of office are to expire at the end of the first three years shall be chosen by lot.

Every three years there shall be a partial replacement of the Advocates-General. The advocate-General whose term of office is to expire at the end of the first three years shall be chosen by lot.

Retiring Judges and Advocates-General shall be eligible for reappointment.

The Judges shall elect the President of the Court from among their number for a term of three years. He may be re-elected."

" ARTICLE 32c

The Court shall appoint its Registrar and lay down the rules governing his service."

(b) The provisions of the Protocol on the Statute of the Court of Justice annexed to the Treaty establishing the European Coal and Steel Community, in so far as they are in conflict with Articles 32 to 32c of that Treaty, shall be repealed.

Section III

THE ECONOMIC AND SOCIAL COMMITTEE

ARTICLE 5

1. The functions which the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community confer upon the Economic and Social Committee shall be exercised, in accordance with those Treaties, by a single Economic and Social Committee composed and appointed as provided in Article 194 of the Treaty establishing the European Economic Community and in Article 166 of the Treaty establishing the European Atomic Energy Community.

2. The single Economic and Social Committee referred to in paragraph 1 shall include a section specialising in, and may include subcommittees competent for, the fields or questions dealt with in the Treaty establishing the European Atomic Energy Community.

3. The provisions of Articles 193 and 197 of the Treaty establishing the European Economic Community shall apply to the single Economic and Social Committee referred to in paragraph 1.

Section IV

THE FINANCING OF THESE INSTITUTIONS

ARTICLE 6

The administrative expenditure of the single Assembly, the single Court of Justice and the single Economic and Social Committee shall be divided equally between the Communities concerned.

The manner in which effect shall be given to this Article shall be determined by common accord of the competent authorities of each Community.

FINAL PROVISIONS

ARTICLE 7

This Convention shall be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. The instruments of ratification shall be deposited with the Government of the Italian Republic.

This Convention shall enter into force at the same time as the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community.

ARTICLE 8

This Convention, drawn up in a single original in the Dutch, French, German and Italian languages, all four texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic, which shall transmit a certified copy to each of the Governments of the other signatory States.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have signed this Convention.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P.H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

THE INTERGOVERNMENTAL CONFERENCE

on the

COMMON MARKET AND EURATOM

FINAL ACT

I/E

THE INTERGOVERNMENTAL CONFERENCE ON THE COMMON MARKET AND EURATOM, convened in Venice on 29 May 1956 by the Ministers for Foreign Affairs of the Kingdom of Belgium, the Federal Republic of Germany, the French Republic, the Italian Republic, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands, having continued its deliberations in Brussels and having, on concluding them, met in Rome on 25 March 1957, has adopted the following texts :

I

1. The Treaty establishing the European Economic Community, and the Annexes thereto,
2. The Protocol on the Statute of the European Investment Bank,
3. The Protocol on German Internal Trade and Connected Problems,
4. The Protocol on certain provisions relating to France,
5. The Protocol on Italy,
6. The Protocol on the Grand Duchy of Luxembourg,
7. The Protocol on Goods originating in and coming from Certain Countries and enjoying Special Treatment when imported into a Member State,
8. The Protocol on the Treatment to be applied to Products within the Province of the European Coal and Steel Community in respect of Algeria and the Overseas Departments of the French Republic,
9. The Protocol on Mineral Oils and Certain of their Derivatives,

10. The Protocol on the Application of the Treaty establishing the European Economic Community to the non-European Parts of the Kingdom of the Netherlands,
11. The Implementing Convention on the Association of the Overseas Countries and Territories with the Community, and the Annexes thereto,
12. The Protocol on the Tariff Quota for Imports of Bananas,
13. The Protocol on the Tariff Quota for Imports of Raw Coffee.

II

1. The Treaty establishing the European Atomic Energy Community, and the Annexes thereto,
2. The Protocol on the Application of the Treaty establishing the European Atomic Energy Community to the non-European parts of the Kingdom of the Netherlands.

III

The Convention on Certain Institutions Common to the European Communities.

At the time of signature of these texts, the Conference adopted the Declarations listed below and annexed to this Act :

1. A joint Declaration on Cooperation with the Member States of International Organisations,
2. A joint Declaration on Berlin,
3. A Declaration of Intent on the Association of the Independent Countries of the Franc Area with the European Economic Community,

4. A Declaration of Intent on the Association of the Kingdom of Libya with the European Economic Community,
5. A Declaration of Intent on the Trust Territory of Somaliland currently under the Administration of the Italian Republic,
6. A declaration of Intent on the Association of Surinam and the Netherlands Antilles with the European Economic Community.

The Conference further took note of the declarations listed below and annexed to this Act :

1. A Declaration by the Government of the Federal Republic of Germany on the Definition of the Expression "German National",
2. A Declaration by the Government of the Federal Republic of Germany on the Application of the Treaties to Berlin,
3. A Declaration by the Government of the French Republic on Applications for Patents covering Information to be kept secret for Defence Reasons.

Finally, the Conference decided to draw up at a later date :

1. The Protocol on the Statute of the Court of Justice of the European Economic Community,
2. The Protocol on the Privileges and Immunities of the European Economic Community,
3. The Protocol on the Statute of the Court of Justice of the European Atomic Energy Community,
4. The Protocol on the Privileges and Immunities of the European Atomic Energy Community.

Protocols 1 and 2 shall be annexed to the Treaty establishing the European Economic Community; protocols 3 and 4 shall be annexed to the Treaty establishing the European Atomic Energy Community.

IN WITNESS WHEREOF, the undersigned plenipotentiaries have signed this Final Act.

Done at Rome this twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK.

J. Ch. SNOY et d'OPPUERS.

ADENAUER.

HALLSTEIN.

PINEAU.

M. FAURE.

Antonio SEGNI.

Gaetano MARTINO.

BECH.

Lambert SCHAUS.

J. LUNS.

J. LINTHORST HOMAN.

JOINT DECLARATION

on

Cooperation with the States
Members of International Organisations

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

AT THE TIME of signature of the Treaties establishing the European Economic Community and the European Atomic Energy Community,

CONSCIOUS of the responsibilities which they are assuming for the future of Europe by combining their markets, bringing their economies closer together and laying down the principles and details of a common policy in this field,

RECOGNISING that, by setting up a customs union and working closely together on the peaceful development of nuclear energy, they will be ensuring economic and social progress and thus contributing not only to their own prosperity but also to that of other countries,

ANXIOUS that these countries should share in the prospects of expansion afforded thereby,

DECLARE THEIR READINESS to conclude, as soon as these Treaties enter into force, agreements with other countries, particularly within the framework of the international organisations to which they belong, in order to attain these objectives of common interest and to ensure the harmonious development of trade in general.

JOINT DECLARATION

on

Berlin

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

HAVING REGARD to the special position of Berlin and the need to afford it the support of the free world,

ANXIOUS to confirm their solidarity with the people of Berlin,

WILL USE THEIR GOOD OFFICES within the Community in order that all necessary measures may be taken to ease the economic and social situation of Berlin, to promote its development and to ensure its economic stability.

DECLARATION OF INTENT

on the

association of the independent countries of the Franc Area
with the European Economic Community

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

TAKING INTO CONSIDERATION the economic, financial and monetary agreements and conventions concluded between France and the other independent countries of the franc area,

ANXIOUS to maintain and intensify the traditional trade flows between the Member States of the European Economic Community and these independent countries and to contribute to the economic and social development of the latter.

DECLARE THEIR READINESS, as soon as this Treaty enters into force, to propose to these countries the opening of negotiations with a view to concluding conventions for economic association with the Community.

DECLARATION OF INTENT

on the

association of the Kingdom of Libya
with the European Economic Community

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

TAKING INTO CONSIDERATION the economic links between Italy and the Kingdom of Libya,

ANXIOUS to maintain and intensify the traditional trade flows between the Member States of the Community and the Kingdom of Libya, and to contribute to the economic and social development of Libya.

DECLARE THEIR READINESS, as soon as this Treaty enters into force, to propose to the Kingdom of Libya the opening of negotiations with a view to concluding conventions for economic association with the Community.

DECLARATION OF INTENT

on

the Trust Territory of Somaliland
currently under the administration of the Italian Republic

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

ANXIOUS, at the time of signature of the Treaty establishing the European Economic Community, to define the exact scope of articles 131 and 227 of this Treaty, in view of the fact that under article 24 of the Trusteeship agreement with respect to the Trust Territory of Somaliland the Italian administration of that territory will end on 2 December 1960,

HAVE AGREED to give the authorities who will after that date be responsible for the external relations of Somaliland the option of confirming the association of that Territory with the Community, and declare their readiness to propose, if need be, to these authorities the opening of negotiations with a view to concluding conventions for economic association with the Community.

DECLARATION OF INTENT

on the

association of Surinam and the Netherlands Antilles
with the European Economic Community

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

TAKING INTO CONSIDERATION the close ties which unite the several parts of the Kingdom of the Netherlands,

ANXIOUS to maintain and intensify the traditional trade flows between the Member States of the European Economic Community on the one hand and Surinam and the Netherlands Antilles on the other, and to contribute to the economic and social development of these countries.

DECLARE THEIR READINESS, as soon as this Treaty enters into force, to open negotiations at the request of the Kingdom of the Netherlands, with a view to concluding conventions for the economic association of Surinam and the Netherlands Antilles with the Community.

DECLARATION BY THE GOVERNMENT
OF THE FEDERAL REPUBLIC OF GERMANY

on

the definition of the expression "German National"

At the time of signature of the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community, the Government of the Federal Republic of Germany makes the following declaration :

"All Germans as defined in the Basic Law for the Federal Republic of Germany shall be considered nationals of the Federal Republic of Germany".

DECLARATION BY THE GOVERNMENT
OF THE FEDERAL REPUBLIC OF GERMANY
on
the application of the Treaties to Berlin

The Government of the Federal Republic of Germany reserves the right to declare, when depositing its instruments of ratification, that the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community shall equally apply to Land Berlin.

DECLARATION BY THE GOVERNMENT
OF THE FRENCH REPUBLIC
on
applications for patents
covering information to be kept secret for defence reasons

THE GOVERNMENT OF THE FRENCH REPUBLIC,

TAKING INTO ACCOUNT the provisions of articles 17 and 25 (2) of the Treaty establishing the European Atomic Energy Community,

Declares its readiness to take such administrative measures and to propose to the French Parliament such legislative measures as may be necessary to ensure that, as soon as this Treaty enters into force, applications for patents covering secret information result, following the normal procedure, in the grant of patents subject to temporary prohibition of publication.