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european community

COMMON MARKET • COAL AND STEEL COMMUNITY • EURATOM

EEC CONSOLIDATED AGRICULTURAL POLICY IN 1966

Economic Union Progresses; Customs Union Deadline Approaches

THE EUROPEAN ECONOMIC COMMUNITY recovered in 1966 from its most serious crisis and renewed its progress towards economic union.

The crisis had arisen in June 1965 over financing of the common agricultural policy. After seven months, two successive sessions of the Council of Ministers ended it in January and allowed normal work to resume. With the Rome Treaty reaffirmed, the EEC moved ahead to set the deadline for customs union in mid-1968 and to align its growing network of economic relations with the rest of the world. Progress on the common agricultural policy was good, and the Community resumed its full participation in the Kennedy Round.

Internal Measures

On January 1, 1966, the eighth intra-Community tariff cut since the Rome Treaty brought internal duties on industrial goods down to one-fifth their original level. For agricultural goods, duties are 35 or 40 per cent of their former level.

The EEC Council decided in July to make an additional 5 per cent cut in internal customs duties on manufactured goods and abolish these duties altogether on July 1, 1968, eighteen months ahead of the Rome Treaty schedule. It also decided to apply the common external tariff on that date.

At the end of February the Council issued a directive on freedom of establishment and freedom to supply services in a self-employed capacity in electricity, gas and water supplies and sanitation.

The foreign ministers met as representatives of the member states to discuss the merger of the executives of the three communities, but the year ended without agreement on the membership or timing of the unified Commission.

In September the Consultative Committee on the free movement of workers within the Community began to examine problems of employment and freedom of movement connected with the EEC's first medium-term economic program.

Finally, in October the Council instituted a trading system for certain processed agricultural products and adopted a resolution on the Community's financial responsibility for various agricultural goods exported from the EEC.

Competition

In the course of the year the Commission presented proposals on a wide range of competition problems. Draft regulations on public works, bids and technical regulations for farm vehicle builders were submitted; drafts on state aid and alignment of legislation regarding measuring devices were drawn up, and proposals to align legislation on pharmaceuticals were made. National tax experts met to discuss harmonization of direct taxation.

Economic and Financial Policy

In 1966, the Council received draft directives on collection of statistical data and consultation about capital movements. The draft of the Community's first medium-term economic program was submitted to the Council in April. Council debate was scheduled for late December.

In June experts met to launch an EEC consumer survey program, and in July recommendations were issued on improving national statistics.

Agriculture

The past year was distinguished by the decisions on completing the Common Agricultural Policy. In May a time-table for common market organization was set to apply up to July 1, 1968; and July 24 the Council adopted the basic regulations on vegetable oils and fats, on further organiza-

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tion of the fruit and vegetable market, and on the basic principles of the common sugar market. Common prices were set for milk and dairy produce, beef and veal, rice, sugar, oil seeds and olive oils. These were to come into effect at various stages between November 1, 1966 (olive oil), and July 1, 1968 (sugar).

In May the Council adopted regulations covering the financing of the Common Agricultural Policy up to December 31, 1969. From July 1, 1967, total expenses will be met from Community funds.

The Commission was directed in May to submit its proposals on cereals in the Kennedy Round; by July the directive was extended to cover most other agricultural products.

Another matter dealt with in the agricultural sector was the allocation by the Commission of the second aid installment from the Guidance Section of the European Agricultural Guidance and Guarantee Fund. The allocation, amounting to $17 million, covered 97 projects.

Transport

The Council received memoranda on the proposed international navigation of the Rhine and the regulation of inland water freight. The Council also had before it proposals on weights and dimensions of commercial road vehicles, a rate system for goods transport, a Community quota for the transport of motor freight, abolition of double taxation on motor vehicles, and the abolition of discrimination in transport rates and conditions.

Social Policy

The Commission submitted a draft regulation to the Council on coordinating social security benefits applicable to wage-earners and their families removed from one Community country to another. Recommendations on maternity benefits and a common definition of disablement were referred to the European Parliament and to the Economic and Social Committee.

The Commission issued recommendations on the development of vocational guidance, compensation for occupational diseases and medical supervision of hazardous occupations. From January to September the Commission adopted 11 decisions granting more than $500,000 from the European Social Fund.

Association with the African States and Madagascar

Action to implement the Yaoundé Convention continued. The European Development Fund (EDF) carried on its operations and financed a large number of schemes in the associated countries. Nine countries submitted projects for aid to diversification and nine for aid to production. $54 million and $48 million, respectively, were granted for these projects. The Community financed 165 projects, involving $338 million, for the benefit of the associated states and offered 1800 scholarships for the 1965/66 academic year.

In July, the EEC signed an Association Agreement with Nigeria, the first English-speaking African country to establish treaty links with the Community. This marked a new step in EEC relations with developing countries.

External Relations

The latter part of 1966 was devoted to external relations, following the internal consolidation of the first half.

Work resumed on Austria's application for an arrangement with the Community, and in December a schedule was agreed upon for the removal of duties on manufactured items. In January, further sessions will address agricultural questions.

In October, Israel joined the list of countries seeking formal association with the Community under Article 238 of the Rome Treaty. At the end of the year the Council authorized the Commission to begin exploratory talks.

The Six studied their attitude toward Morocco, Tunisia and Algeria. Formal negotiations had already begun with Morocco and Tunisia, but a mandate for further talks was not expected before early 1967.

The Council discussed a report from the Commission on possible terms for a link with Spain and sent it to the Permanent Representatives for further consideration. Negotiations with the East African countries also resumed (see page 14).

British interest in EEC membership revived in 1966. Several pages of this issue are devoted to the new British approach (see pages 10-13).

Earlier in the year, the contact group between the Commission and the Latin American countries concluded its second round of meetings, and a joint memorandum set out measures to promote the development of trade between the two areas.

Throughout the year, work has been concentrated on the Kennedy Round. In April, the Council gave directives for the continuation of discussions on chemicals and aluminum. On July 13-14, it approved directives for the Commission to complete the EEC offers for paper, paper pulp, aluminum and its derivatives and completed the EEC terms of reference for a world cereals arrangement. The July agricultural offers were tabled August 1. Sugar, tobacco, fats and oils caused considerable difficulty, and it remained unlikely a mandate for all products could be achieved by the end of the year.

Throughout the year, work has been concentrated on the Kennedy Round. Shown here, a meeting of the Trade Negotiations Committee in Geneva. PHOTO: L. Bianco.

FANFANI TECHNOLOGY PROPOSAL DISCUSSED BY COUNCIL

Community to Aid Italy in Repairing Flood Damages

THE COUNCIL OF MINISTERS OF THE EUROPEAN ECONOMIC Community met in November and December, and discussed a proposal to close the "technological gap" between Europe and the United States. It also agreed to help Italy repair the fall flood damages and continued work to complete the Kennedy Round offers.

By December 15, the Council had met four times: on November 24-25, on December 6-7 in a joint session with the Council of Ministers of the European Atomic Energy Community, on December 7-8, and on December 14-15. The Council has scheduled two more meetings in 1966: on December 19-20 and December 21-22.

Technological Gap—Fanfani Blueprint

Italian Foreign Minister Amintore Fanfani presented his Government's study on Europe's technological gap (see European Community No. 98) with the United States to the Council on December 6.

To close the gap, Mr. Fanfani suggested a 10-year fully reciprocal plan of technological cooperation with the United States. This time would prove adequate, the Italian Government believes, for European industry to acquire the necessary knowledge to compete in aircraft and aerospace industries, desalination, training of scientists and technologists, and other areas which require advanced technological competence.

The Community should play as important a role in science and technology as it now does in the economic sphere, Mr. Fanfani emphasized. The other Council members and the EEC and Euratom Commissions expressed their satisfaction with the report and agreed to hold a special meeting to consider the entire problem during the first quarter of 1967.

Aid to Italy

Twenty-five Italian provinces sustained damage estimated at more than $800 million during floods in the fall. Florence and Venice were hit most seriously. The Council adopted a regulation authorizing the European Agricultural Guidance and Guarantee Fund to make available $10 million through 1967. The funds will be used to reconstruct and improve farms, agricultural buildings and equipment, and buildings used to market and process agricultural products.

Freedom of Establishment Directive

Subject to slight changes, the Council approved a directive concerning non-wage earners' rights to open offices and offer their services in any Community country on the same terms as the host country's own nationals. The directive applies to all operations connected with the purchase, sale, leasing or management of real estate and related rights. It also applies to business consultants and other experts and agents in such fields as advertising, interpreting and surveying.

External Affairs—Austria, Israel, Spain, Latin America

At the December 6-7 Council meeting, the Commission received a further mandate to continue negotiations with Austria. The mandate covers tariff questions, the maintenance of Austrian trade with the Eastern European countries, and the harmonization of agricultural policies. The Commission will require another mandate at a later stage to harmonize policies in other areas. Negotiations resumed under the new mandate on December 12.

At the same session, the Council authorized the Commission to begin exploratory talks with Israel concerning economic and commercial relations as requested by the Israeli Government on October 4.

Representatives of the Latin American countries and the EEC should continue to meet concerning any economic and commercial obstacles to their mutual trade which might arise, the Council agreed. These contacts, the Council said, were in the interests of the Community as well as Latin America.

The Council asked the Committee of Permanent Representatives to study the EEC Commission's report on talks with Spain, and, if possible, to report back by the December 21-22 meeting.

Agricultural and Tariff Decisions

The Council decided upon the Commission's negotiating mandate for sugar and oil-yielding products for the Kennedy Round. Community offers for some fruits and vegetables, tobacco, and fishery products remain to be decided.

The Council discussed the amendment of Regulation 26, which applies competition rules to production and trade in agricultural products. It also considered difficulties involved in surveying farming patterns in the Community.

Under the common agricultural policy, the Council adopted regulations concerning the marketing of some cheeses, the control of intra-Community trade in powdered milk intended to feed cattle, a regulation on glucose and lactose and a regulation on refunds to producers of maize groats and meal used by the brewing industry.

The Council also approved a regulation which authorizes Belgium, the Federal Republic of Germany, France and Italy to increase levies on some beef and veal imports from non-member countries. Another regulation adopted by the Council sets the levies on live pigs, pigmeat, and processed pigmeat products imported from non-member countries for the first quarter of 1967.

The Council decided to extend the suspension of the common customs tariff on tea, maté, tropical woods, some spices, and sporting goods until December 31, 1967.

The Council will consult the European Parliament and the Economic and Social Committee concerning a proposed directive to amend the October 23, 1962, directive on harmonizing the member states' regulations on coloring agents in foodstuffs for human consumption. It will also seek advice on a proposed directive on citrus fruit preservatives as well as on means of tracing and identifying these chemicals.

Euratom Supplementary Research Budget Approved

The Euratom Council approved a supplementary appropriation of $10 million for Euratom research and investment during 1966. This sum raised the total appropriation for 1966 to $125.5 million. The corresponding total for 1965 was $103.9 million.

EEC COMMISSION FORECASTS BUOYANT ECONOMY

Steady 4.5% Growth Rate to Continue through 1967

THE 4.5 PER CENT GROWTH RATE the European Economic Community achieved last year is to continue through 1967.

The EEC Commission expects final calculations for 1966 to show a 4.5 per cent rise in real Community product. The EEC economy will repeat this performance in 1967, according to the Commission's Third Quarterly Economic Survey. These rates compare with increases of 5.8 per cent in 1964 and 4.0 per cent in 1965, as shown below.

	GROSS COMMUNITY PRODUCT (average annual rates in billions of dollars)			U.S. GROSS NATIONAL PRODUCT (average annual rates in billions of dollars)		
	Current Prices	*1958 Prices*	*Yearly Rise at 1958 Prices*	*Yearly Rise at 1958 Prices*	*1958 Prices*	*Current Prices*
1962	230.8	210.1	—	—	560.3	529.8
1963	253.3	219.3	4.3%	5.4%	590.5	551.0
1964	279.2	232.0	5.8%	6.5%	631.7	580.0
1965	299.7	241.4	4.0%	7.8%	681.2	614.4

SOURCES: EEC, General Statistical Bulletin; U.S., OECD. Figures are not absolutely comparable.

Italian and French Economies Recovered in 1966

The Commission attributed the improvement during 1966 in the Community's growth rate primarily to sharp recovery of economic activity in France and Italy. During the year growth quickened, from 3.4 per cent, to 5.5 per cent in France and 5 per cent in Italy. The Commission expects France and Italy to continue to lead in 1967.

Except for the Netherlands, where the pace may slacken, and the Federal Republic of Germany, the other member states will maintain their present rates. The German economy, after growing at an average annual rate of 5.6 per cent from 1963-65, registered a 3.5 per cent gain during 1966. During 1967, the Commission expects the German economy to recover.

Internal Demand Constant, Export Demand Lower

The Commission assumes in its 1967 forecasts that internal demand will remain constant but export demand will slacken, particularly from the United States. Removal of the surcharge the British Government had imposed to discourage imports will do little to stimulate exports of the Six to the United Kingdom.

COMMON MARKET—WORLD TRADE

(in billions of dollars)

	1958	*1965*	*(Estimated) 1966*	*Change 1965-66*
Exports	15.9	27.1	29.5	+ 8.7%
to U.S.	1.66	3.43	4.10	+19.5%
Imports	16.2	28.6	31.2	+ 9.3%
from U.S.	2.81	5.69	6.15	+ 8.0%
Trade Balance	0.245	1.48	1.79	+21.0%
with U.S.	−1.14	—2.26	−2.05	— 9.4%
Intra-EEC Trade	6.8	20.4	23.2	+13.6%

The Community will continue to invest at about the same rate as in 1966. Investment will continue to exert the major influence over economic trends.

Variations between the member states' investment rates are likely, the Commission observes. Thus, "a considerable expansion" of investment will occur in France and Italy and moderate growth in Belgium and Luxembourg. Investment will contract in the Netherlands and, at least until recovery in early spring, in Germany. Except in Germany, the public authorities will expand their investment expenditures to a level 10 per cent above their 1966 budgets.

Consumption to Expand at 1966 Rate

Private consumption in the Community will continue to expand into 1967. Price increases should then begin to moderate.

Private consumption is expected to grow by 4.5 per cent during 1967. It will increase more sharply than the Community average, however, in France and Italy. In Germany, Belgium and Luxembourg, private consumption will grow more slowly during early 1967. In the Netherlands tax cuts will encourage consumption.

Stabilization Policies Should Continue

From the economic indicators examined, the Commission concludes that the member states should neither abandon their stabilization policies prematurely nor adopt policies to stimulate consumption.

In Germany, the Netherlands, Belgium and, to a lesser extent, Luxembourg, inflationary trends have been strongest. The Commission advises those governments to reinforce their stabilization policies. Economic policy in France and Italy should try to control the recovery to keep demand in line with production, the Commission suggests.

Gold and Exchange Reserves Rise in EEC

Gold and foreign exchange reserves of the European Economic Community countries rose by $300 million between June and September, despite decreases in French and Italian holdings.

The improvement in the Community's balance of trade with the rest of the world accounted for most of the increase. The surplus of the Federal Republic of Germany reached its highest level since June 1964. This increase helped to reduce the combined EEC trade deficit.

As the French economy revived, its trade balance deteriorated. Repayment of debts to the United States contributed to the September drop in French reserves. Higher interest rates in Italy, Germany, the Netherlands and other countries have also contributed to an outflow of short-term funds from France.

The High Authority and the ECSC Council of Ministers conclude a successful meeting on November 22.

ECSC'S MOST TRYING YEAR ENDS ON POSITIVE NOTE

July Crisis Abates under High Authority Guidance

THE MOST DIFFICULT YEAR in European Coal and Steel Community history ended on a positive note, with planning to reorganize coal and steel production well advanced.

ECSC High Authority President Dino Del Bo reviewed the year's developments in coal and steel during the annual debate of the Executives with the European Parliament on November 28. Mr. Del Bo said that the ECSC Council of Ministers had reacted favorably to the outline for reorganizing production which the High Authority had proposed to the Council on November 22, at its last meeting of the year.

While the crisis atmosphere which prevailed at the end of the summer has abated, the ECSC forecasts for the first quarter of the new year indicate that cause for concern still exists. Over-production will remain the dominant ECSC problem during 1967.

Coke and Steel Related by Tradition and Economics

The coal and steel crisis, which had been building since 1963, culminated in July when the ECSC Council failed to agree on Community aids to the coking-coal industry. The coal industries, coal users, and the High Authority considered agreement on this matter vital.

In reconstructing after World War II, steel manufacturers in ECSC coal mining regions planned to continue firing their furnaces with coal. Steel producers in other parts of the Community started to use other energy sources which today are less costly than coal.

The Treaty of Paris created the ECSC at a time when the foremost problem of the coal and steel industries was to raise productivity. The Treaty provided neither a common commercial policy nor an energy policy. Today, some Community steel producers import cheap, American coking-coal, while others use lower grade but more expensive ECSC coal. Differences in energy costs and sources cause regional variations in steel production costs. To compete with imported coking-coal, Community mines have had to give some discounts which lowered their selling prices below costs.

When in July, the ECSC Council failed to redistribute the costs of phasing out the ECSC coking-coal industry gradually, attempts were made at the national level to compensate for geographical differences in steel production costs. However, these efforts did not arrest the steady rise in production costs and surpluses and deteriorating prices.

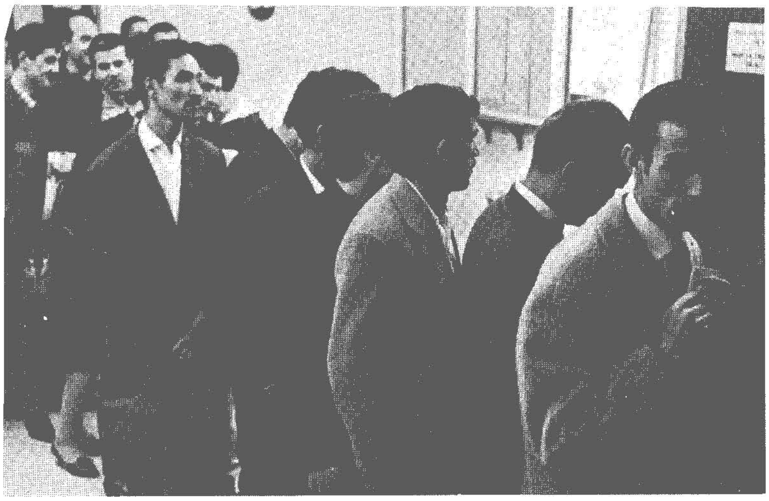
Through the fall, the High Authority repeatedly called upon the member states to attack together the structural defects in the ECSC coal and steel markets. At the meeting on November 22, the Council accepted the crisis as a "Community" problem.

Mr. Del Bo told the Parliament that the High Authority was satisfied with the results obtained so far. Although no final plan for the coking-coal question has been completed, the Council on November 22 invited specific proposals for a Community system of compensation for the coking-coal traded between member states. Mr. Del Bo said that the High Authority hoped the February Council meeting would settle this question.

ECSC Aid Breaks Records

During 1966, coal stocks reached a high of 47.7 million metric tons. An 11 million ton increase, despite a drop of 11.5 per cent in production. Unused steel capacity rose to 21.5 per cent. Steel prices plummeted to record lows, although annual production shrank by 0.8 per cent to 85.3 million tons. Steel consumption increased 0.7 per cent to 72 million tons. As unemployment—the social counterpart of falling demand—rose, Community aid soared to an all time high.

By the end of 1966, Community coal and iron-ore mines employed 50,000 fewer miners. For every two workers employed in Community iron-ore mines four years ago, one remained. To help these unemployed workers readapt, the Community paid $15 million in tiding-over allowances, retraining expenses, moving allowances, and other social benefits. Since 1964, the High Authority has given $81 million to 270,000 workers in ECSC coal, iron, and steel industries.



Unemployed miners apply for ECSC assistance.

To finance the industrial redevelopment of depressed mining regions during 1966 alone, the Community made available more than $50 million (Community redevelopment assistance during the previous five years amounted to $30 million). Most of the loans made during 1966 will finance redevelopment in the former coal-mining areas in Lorraine and the Pas de Calais in France, Liège in Belgium, and Limburg in the Netherlands. By planning well in advance, the High Authority hopes to reduce the time lag between mine closings and the opening of new plants to employ retrained miners.

Thorough Policy Revision Required for Steel

Mr. Del Bo emphasized in his address to the European Parliament that ECSC coal problems differ fundamentally from the problems of the ECSC steel industry. If Community steel producers are to compete in world markets, they must rationalize and specialize production.

In the short-term, the High Authority has tightened price controls and attempted to encourage producers to limit their output to reduce the pressures of excess supply on prices. The High Authority plans more detailed quarterly and short-term forecasts and has asked the Council to authorize a detailed study on a Community production control system.

In the long-run, because the ECSC has more than adequate production capacity, the High Authority recommends closer coordination of investments as essential. Policy must encourage the concentration of production in the most modern and efficient plants. Further efforts must raise productivity. In addition, the High Authority recommends that the member states and the Community consult more often to reconcile national plans with the General Steel Objectives, which the High Authority formulates in light of trends in world markets.

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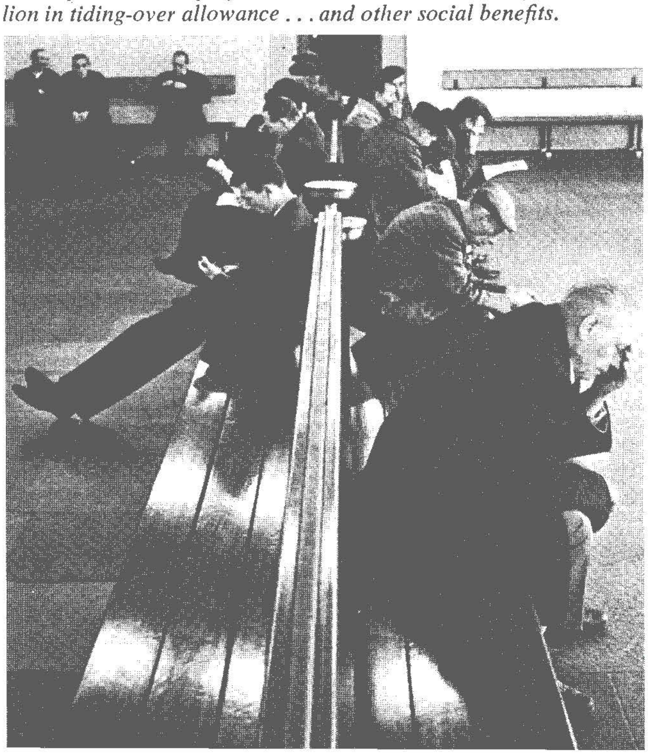

Forecast for First Quarter of 1967

The High Authority expects the Community's surplus coal stocks to grow by 2.3 million tons during the first quarter of 1966. Half of this increase will be concentrated in the Federal Republic of Germany. Demand will continue to weaken at an annual rate of 2 to 3 per cent. Productivity will increase between 4 and 8 per cent. Mines will employ 48,000 fewer workers than at the end of 1966.

ECSC COAL AND STEEL PRODUCTION (November 1966)
(in thousands of metric tons)

COAL	*Germany*	*France*	*Italy*	*Netherlands*	*Belgium/ Luxembourg*	*Community*
Nov. 1966	10,774	4,517	30	820	1,479	17,620
Nov. 1965	10,172	4,325	33	799	1,440	16,769
Change	—6.5%	—2.0%	+8.7%	—10.9%	—11.4%	—6.1%
STEEL						
Nov. 1966	2,739	1,630	1,180	264	753/365	6,931
Nov. 1965	2,810	1,772	1,220	300	765/383	7,250
Change	—3.7%	—0.2%	+7.9%	+5.7%	—2.5/—4.3%	—0.8%

ECSC coal imports dropped to 26 million tons in 1966, a 3 million-ton decline from the 1965 level. Although all ECSC countries imported less coal in 1966, the decrease was most marked in the Netherlands. Imports will continue to shrink during the first quarter of 1967, the High Authority estimated.

Over-production of steel will continue to characterize the ECSC steel market in 1967. Steel consumption in the first quarter of 1967 will expand by 2 per cent in comparison with the first quarter of 1966. Production will total 20.5 million tons, compared with 21.76 million tons in the last quarter of 1966. ECSC steel exports, after declining from 19 million tons in 1965 to about 16 million tons in 1966, will again drop. In view of lower exports and de-stocking, the High Authority cautioned ECSC steel manfacturers to limit their production to improve the market situation.

Four Joint Outlets to Sell German Steel

Four regionally-organized joint outlets will handle sales for for thirty-one steel producers in the Federal Republic of Germany.

The High Authority of the European Coal and Steel Community approved the creation of the joint sales agencies in a decision to be published in early 1967. The decision specifies the rules which the agencies must observe; in particular, each must act independently of the others.

The Ruhr-West group, the largest of the four, will cover 17.5 per cent of the Community's steel output. Such concentration, the High Authority emphasized in making the announcement, could be permitted only in a market as large as the ECSC. Concentrating orders in longer production runs will cut costs by $50 million per year, the German manufacturers estimated.

COMPLETION OF CUSTOMS UNION DEBATED IN STRASBOURG

Active 1967 Program Promised by EEC Council and Commission

"THE COMPLETION OF THE ECONOMIC UNION," the European Community's most urgent task, was chosen by the European Parliament as the general topic of its annual debate with the Community Executives.

The participants in the debate on November 28-29 all emphasized the urgency of completing preparation for true economic union by the end of the transitional period on January 1, 1970. The EEC member states will achieve customs union on July 1, 1968, by eliminating the remaining tariffs and quotas in trade between them. However, as all speakers acknowledged, customs union does not mean free trade, much less economic union. Without harmonized tax and company laws and coordinated commercial, transport, and economic policies, the member states cannot have full equality of trading conditions.

Dino Del Bo, President of the High Authority of the European Coal and Steel Community, explained the situation in coal and steel (see page 5). Professor Antonio Carelli, Vice President of the Commission of the European Atomic Energy Community, explained non-nuclear applications of Euratom joint research activities.

Customs Union Requires Balanced Development

Joseph Luns, for the EEC Council of Ministers, emphasized the remaining steps to be taken within the context of the Council's May 11, 1966, decisions to assure the Community's balanced development. Economic union, he said, requires

- Truly free circulation of goods, persons, and capital. These must be assured, especially, by harmonizing turnover taxes and laws affecting key sectors of the EEC economy.
- Common transport and commercial policies. Substantial progress can be expected, even though both are now only in the early stages of development.
- Ever closer coordination of short- and medium-term economic policies.
- The creation of instruments to allow business to grow to Common Market size.

The EEC Council President said he planned to seek either an official or an informal exchange of views with his five colleagues concerning British Prime Minister Harold Wilson's November initiative. In conclusion, Mr. Luns told the Parliament, regretfully, that he could not promise agreement before the end of 1966 on the composition of the single Commission. This decision must be made before the three Community Executives can merge.

Hallstein Outlines Community's Tasks for 1967-68

EEC Commission President Walter Hallstein outlined areas on which Community efforts should center in the new year.

- "Operation July 1, 1968": Free circulation of goods requires unification of customs duties, elimination of remaining obstacles to free circulation, and discontinuance of customs formalities at the borders between the member states.
- Elimination of "tax borders": Complete tax equality cannot be expected by 1968, but the harmonization of turnover taxes must be accelerated.
- Establishment of a common commercial policy: All institutions must make a serious political effort in this area. To postpone this policy any longer will endanger economic integration.
- Bringing the common transport policy up to date: The Commission plans to insist on early and substantial decisions.
- Establishment of a common economic policy: A Community medium-term economic policy will require coordination of structural and growth policies.
- Concrete improvements in social policy: The free circulation of workers should be a reality by July 1, 1968. National social security systems must be coordinated by that date, too. The Commission also plans to improve the Social Fund.
- A uniform company law and a common system on industrial property: Both are more and more urgently needed.

Prof. Hallstein said that if the six national economies are to become a single European economic union in the next two years vigorous activity will be necessary. In concluding, Prof. Hallstein called upon the European Parliament and the Council of Ministers to join the Commission's efforts.

EEC Commission President outlined areas on which Community efforts should center in the new year during the debate.

Parliamentary Views

A spokesman for each of four political groups in the European Parliament commented on the topics covered by the EEC Council and the Commission.

Joseph Illerhaus, for the Christian Democrats, stressed the necessity of formulating a common economic policy worthy of the name. Merging the Executives should stimulate progress towards European unity, he held. Mr. Illerhaus also pledged Christian Democratic support during the New Year.

Hans Apel, for the Socialists, charged that even the common agricultural policy, "the Community's only substantial achievement," could not function fully without a common commercial policy. He equated failure to develop the common transport policy and the delay in fusing the Executives with a lack of political will. Mr. Apel found the political dispersion among the Six disturbing, in view of possible talks with non-member states, particularly Great Britain.

André Armengaud, for the Liberals and allied parties, criticized the Community's slowness in establishing common policies.

Lunet de la Malène, speaking for the Gaullist European Democratic Union, insisted that the member states had approached their problems realistically. The same realism applied to the remaining issues will enable further progress in the coming months, he said.

Concerning British accession to the Rome Treaty, Mr. de la Malène remarked that Britain must show a full understanding and preparedness to accept the duties it imposes. Specifically, he indicated that Britain must resolve problems of economic growth and relations with the Commonwealth.

requirements had necessitated the cut. He said that he hoped the Commission could manage with 2,738 employees. The Community will use funds outside the budget for vocational training and for aid to licensed sulphur mine workers.

René Charpentier spoke for the Parliament's Budget and Administration Committee, questioning the real reasons for the budget cut. Mr. Charpentier deplored the present budget approval procedure which excludes the Parliament.

EEC Commissioner Levi Sandri, speaking for the Commission, explained the difficulties the Commission would have operating under the reduced budget. The Commission's agricultural and internal market divisions (two of its nine departments) needed all the personnel requested, he indicated.

President of the European Parliament Alain Poher during annual debate with Community Executives.

Euratom Research in Applied Science

Prof. Carelli, for the Euratom Commission, explained to the European Parliament that Euratom's research work is not limited to pure science, but extends to applied technology.

The computers now used for reactor-physics studies at the Ispra Computer Center in Italy, could also solve such problems as programming computers for use in economics, he suggested. Euratom's biological research, presently focused on the effects of radiation on animal and vegetable tissues, should also explore fundamental biological questions. Electro-chemists working at the Petten reactor in the Federal Republic of Germany could also study the purification of water by electrodialysis.

The joint research teams could use the existing laboratories to do research in applied non-nuclear fields, he indicated.

Council's Budget Cuts Debated

The European Parliament also debated the EEC Council of Ministers' $6 million cut in the Commission's $616 million proposed 1967 budget. The approved budget allows the Commission to hire 80 new executive and managerial employees, instead of the 153 requested.

L. de Block, Netherlands Secretary of State, speaking for the EEC Council of Ministers, explained that balance between the member states' resources and the Community's

Customs Law Alignment Progresses

The Customs Committee of the European Economic Community, composed of heads of the national customs departments, reviewed progress in aligning customs legislation on December 6.

Guido Colonna di Paliano, member of the EEC Commission with special responsibility for the internal market, reminded the customs chiefs of the July 1, 1968, target date for eliminating as many customs formalities as possible at the borders between EEC countries. He emphasized the importance of finishing this work quickly to facilitate the uniform application of the common customs tariff.

At the December 6 meeting, the Committee made progress in settling the date applicable for customs valuation of goods in bonded warehouses. The delegation from the Federal Republic of Germany had. made the proposal. At the next meeting, on January 27, 1967, the Committee plans to finish discussing it.

The French delegation proposed measures to limit delays at the borders for goods in transit within the Community. The Committee will continue to discuss in transit shipments at the next meeting. Once the experts agree on the technicalities, the Commission's staff will prepare a draft regulation for goods in transit.

YAOUNDE INSTITUTIONS SORT OUT TRADE PROBLEMS

Progress Made during 1966 In Defining "Origin of Goods"

RECENT MEETINGS OF THE INSTITUTIONS created by the Yaoundé Convention, associating the 18 African and Malagasy states with the European Economic Community, provide an inventory of progress and current problems.

The Association Council, the only Yaoundé institution empowered to make decisions, met on Ocotber 28 in Brussels. The Council, composed of representatives of the EEC and the associates, settled some questions concerning the interpretation of the "origin-of-goods" clause in the Convention.

In September, the main committee of the Parliamentary Conference discussed a report on the association's activities by M. Sissoko, Mali parliamentary deputy. At this meeting, in Mogadiscio, Somalia, preparations were made for the full Parliamentary Conference in Abidjan, Ivory Coast, on December 10-14. Representatives of the European Parliament and of the associates' national parliaments constitute the Parliamentary Conference. L. de Block represented the EEC Council of Ministers at the Conference and Henri Rochereau, the Commission, as its member responsible for overseas development.

Definition of Origin Crucial

The Yaoundé Convention specifies that goods originating in the Community or in the 18 associated states shall eventually be exported and imported by all 24 countries free of duty.

The origin-of-goods decision is as complex and technical as it is crucial. When, for example, is a fish a Mauretanian fish, and when a Canary Island fish? Mauretania exports canned fish to the Community, much of it caught off the Canary Islands. To decide that that fish, although caught by Mauretanian fishermen, originated in the Canary Islands would mean duty payments for the importer. Thus, the decision of origin could seriously affect the Mauretanian canned fish industry.

Similarly, the Netherlands exports to the Yaoundé associates textiles printed in the Netherlands but manufactured in Hong Kong. If the Associates levied duties on all textiles not completely manufactured in the Netherlands, Dutch textile exports might be affected.

The Association Council decided at its October meeting:

- Printed cotton goods from Asia, re-exported to Africa by the Netherlands, should be considered as products originating in the European Community and therefore benefiting from most preferential customs treatment, provided that at least 50 percent of their total value was added in the Netherlands.
- Hides and skins tanned in the Community should benefit from the same customs rates in associated African countries "as if the untanned skins used in their manufacture had come from an associated state."
- Margarine manufactured in the Community will be admitted as a product of EEC origin, no matter where the fats originated.
- A total of 6,500 tons of fish a year brought in by Canary Island fishermen to Mauretania, which the Community had refused up to now, at the request of Italy, to consider as a product of Mauretania, shall nonetheless receive preferential customs tariffs in the Community.

The Association Council, the only Yaoundé institution empowered to make decisions, met on October 28 in Brussels.

Trade Increases—A Main Yaounde Convention Goal

To promote an increase of trade between the Community and the African associates is a main purpose of the Yaoundé Convention.

In the preparatory report for the Abidjan conference, Mr. Sissoko noted "with great regret" that the rise in trade during 1965 had scarcely been noticeable—0.1 per cent. The Associates' exports to the Community had, in fact, declined slightly: $1.146 billion in 1965, against $1.150 billion in 1964. M. Sissoko considered this drop especially disappointing since the Community's trade with other groups of developing states had increased markedly. Only Italy purchased substantially more from the Associates:

(in millions of dollars)	*1964*	*1965*	*Change*
Germany	158	161	+2%
Belgium-Luxembourg	227	234	+3%
France	610	547	−12%
Italy	99	150	+52%
Netherlands	56	53	−6%
EEC Total Purchases from the Yaoundé 18	1,150	1,146	−0.3%

Further Efforts to Develop Trade Essential

In the past, the Associates have criticized many trade aspects of the Yaoundé Convention. Mentioned in the Sissoko report and at the Abidjan meetings as steps the African states would favor to assist their trade were

- Community levies on certain tropical imports from non-associated countries, at least when the Yaoundé associates could supply the products.
- Price stabilization for tropical products.
- Improvement of investments.
- Elimination of EEC member states' internal taxes on tropical products.

The Conference praised the efficiency of Association institutions and the degree of technical and financial cooperation, resolved to set up study groups on trade problems with the Community.

BRITAIN TO PAY NEW YEAR'S C

Wilson's November 10 Statement

The position of Her Majesty's Government in relation to the European Economic Community was stated in the Gracious Speech on April 21 in these terms: "My Government will continue to promote the economic unity of Europe and to strengthen the links between the European Free Trade Association and the European Economic Community. They would be ready to enter the European Economic Community provided essential British and Commonwealth interests were safeguarded." . . .

In recent weeks, the Government has conducted a deep and searching review of the whole problem of Britain's relations with the EEC, including our membership of EFTA and of the Commonwealth. Every aspect of the Treaty of Rome itself, of decisions taken subsequent to its signature, and all the implications and consequences which might be expected to flow from British entry, have been examined in depth.

In the light of this review, the Government has decided that a new high-level approach must now be made to see whether the conditions exist—or do not exist—for fruitful negotiations, and the basis on which such negotiations could take place.

It is vital that we maintain the closest relations with our EFTA colleagues. Her Majesty's Government therefore now propose to invite the heads of government of the EFTA countries to attend a conference in London in the next few weeks to discuss the problems involved in moves by EFTA countries to join the EEC.

Following that conference, the Foreign Secretary and I intend to engage in a series of discussions with each of the heads of government of the Six, for the purpose of establishing whether it appears likely that essential British and Commonwealth interests could be safeguarded if Britain were to accept the Treaty of Rome and join EEC.

In the light of these discussions, the Government will then take its decision whether or not to activate the arrangements for negotiating for entry, and what the appropriate time for such negotiations would be.

Commonwealth governments, as well as EFTA governments, have been informed and we shall maintain the closest degree of consultation with them throughout. . . .

It is vital that we should enter only when we have secured a healthy economy and a strong balance of payments, with the pound standing no less firm and high than it is today. . . . The Government are approaching the discussions I have foreshadowed with the clear intention and determination to enter EEC if, as we hope, our essential British and Commonwealth interest can be safeguarded. We mean business. . . .

Wilson Voices "Clear Intention and Determination to Enter EEC"

"WE MEAN BUSINESS," Prime Minister Harold Wilson told the House of Commons when he announced Britain's "new, high level approach" towards membership in the European Economic Community.

Britain will decide whether and when to "activate the arrangements for negotiating entry" after the Prime Minister visits the six Common Market countries' heads of state early in the new year. Foreign Secretary George Brown will accompany the Prime Minister.

Harold Wilson announced these plans in answering a question from Nigel Fisher (Conservative) in the House of Commons on November 10. His replies to supplementary questions on November 10, his November 14 speech at the Lord Mayor of London's annual banquet at Guildhall and the debate in the House of Commons on November 16-17 began to clarify the outlines of the British Government's attitude towards Community membership.

In view of Britain's failure to join the Community in 1963, the Prime Minister's announcement was received cautiously on the Continent as in Britain. (Pertinent comments, made immediately before and after the Prime Minister's statement, appear on page 13.) Mr. Wilson's espousal of the "technological community" was widely welcomed.

Answers to Supplementary Questions Clarify Approach

Replying to supplementary questions on November 10, Mr. Wilson made it clear that he did not intend to divulge details which he considered might undermine Britain's negotiating position. "The discussions should take place with the heads of European governments," he said.

Opposition Leader Edward Heath, who had led the British delegation during negotiations for entry in 1963, pledged Conservative Party's support. Mr. Heath then asked whether the "probings now to take place include matters beyond the Treaty of Rome [such as] the future defense of Europe . . .?"

The Prime Minister replied:

I do not feel that these talks should be primarily or to any large extent concerned with the question of European defense. In the past, many of the difficulties arising about economic negotiations have been clouded by defense considerations. Some of the difficulties that Mr. Heath himself faced were due to certain conditions being laid down at that time on defense issues that no longer apply. NATO is the right place for talking about defense questions. There is nothing in the Rome Treaty about defense.

Eric Heffer (Labour) asked whether Britain's close association with the United States had not proven one of the "greatest difficulties in entering the EEC," and whether Britain would apply for membership jointly with the European Free Trade Association. Mr. Wilson replied:

I do recognize that our association with the United States has been one of the very big problems. The position of Britain as an Atlantic power has been one of the problems affecting French acceptance of British entry.

We shall try to discuss with our EFTA colleagues ideas that they and we have about relations with the EEC, to see how many of us, as many of us do, would like to join the Treaty of Rome, and to consider whether we should proceed

Wilson's November 14 Address

We were asked for a declaration of intent. . . . We approach this problem not in the static posture of words but in the dynamic action of movement, a movement in which, as I have said, we mean business. . . . Britain has much to give but also much to gain—provided our essential interests can be met, as those of the Common Market countries were met nine years ago.

To join the EEC means joining the ECSC and Euratom. Few countries have more to contribute in the fields covered by these Communities. In particular, Britain leads the world, barring none, in the peaceful application of atomic energy. But let us regard this process as what it is going to be, a dynamic process. Nothing is static. We have much to contribute to the European Community, including change.

It was never ordained from on high that there should be only three such European Communities. I would like to see . . . a drive to create a new technological community to pool within Europe the enormous technological inventiveness of Britain and other European countries, to enable Europe, on a competitive basis, to become more self-reliant and neither dependent on imports nor dominated from outside, but basing itself on the creation of competitive indigenous European industries. . . . In this field of technological cooperation, no one has more to contribute than Britain. . . .

I do not guarantee that this new venture will lead to success. But I believe . . . the time is right . . . to make the effort. I believe the will is there in our industry and in our commerce. Britain, our partners in EFTA, and so many of our Commonwealth countries who will be involved will feel that it is right to try.

There is no future for Britain in a Little England philosophy. There is no future either for anyone in a Little Europe philosophy. For we do not see this venture, any more than our friends in Europe do as a self-sufficient rich man's club—the identification of the EEC with the development of so many African territories is a manifestation of this as is the aid the countries of the EEC have given on a wider scale. Our loyalty to the Commonwealth, our responsibilities and concern for African development and more widely, similarly inspire our hopes of an outwardly responsible Community. To the extent then that we can regard a partnership within Europe not as an end in itself, but as a stepping stone to freer trade over a wider area, to a greater contribution on the part of all of us to work for economic development, and to an ever deepening relationship between Western and Eastern Europe, to the extent, too, that all this can lead to a deeper political cooperation within Europe, to this extent, I believe we are now engaged in an adventure to which no man here can set a limit.

on the basis of individual or some kind of collective discussions . . . the EEC has always insisted upon individual applications and negotiations.

Queried on his earlier estimate of a 2.5 per cent increase in the cost of living should Britain join the EEC by Sir Alec Douglas-Home (Conservative), Mr. Wilson replied:

I said 10-14 per cent on food prices. They are net figures, and do not take account of all the increased distribution margins that we still suffer from sometimes. They do not take account of any possible change in wages. These are simply crude figures.

To Liberal leader Jo Grimond, Mr. Wilson said:

The Government takes the view that, while there are anxieties on some points, the Treaty of Rome is not in itself, or necessarily, an obstacle if our problems can be satisfactorily dealt with through adaptation of arrangements made through the Treaty of Rome, subject to necessary adjustments consequent on the accession of a new member and provided that we receive satisfaction on the points about which we see difficulties.

Anxieties About Agriculture Explained

Concerning agriculture, the Prime Minister told Joseph Godber (Conservative) that the Government's anxieties arise from two factors:

- *The effect on British agriculture, although many experts consider British agriculture would be very prosperous under these conditions—sections of it, at any rate—other sections would not. We might be prosperous producing the wrong things, too much starch and not enough protein. The problem of excess production of cereals and beef has been accepted as one of the implications of the present price levels of the Common Market. . . .*
- *The serious effect, not even primarily on the cost of living or the balance of payments, that high levies would be placed on the importation of every ton of Canadian or Australian wheat into this country, and that we should be paying higher prices than world prices in these circumstances. The very special problems of New Zealand were fully discussed when we last debated these things and were recognized by every member. There are other anxieties since then about these levies. This is the big problem about agriculture.*

During the November 16 debate in the House of Commons, opposition speakers stressed the need for the British Government to define more precisely its attitude toward the Rome Treaty.

Sir Alec Douglas-Home said: *It would be easier if the member countries of the Community knew and were satisfied that Britain was to be a wholehearted partner in the adventure towards European unity.*

Mr. Heath stated that he did not believe:

President de Gaulle wants a defense Community in Europe, but I do believe these discussions involve the question of nuclear power, the relation between our own nuclear power and that of France, and the relationship of this with American nuclear power. . . . What Europe is about is redressing the balance on the two sides of the Atlantic, redressing the balance in trade, finance, defense, and political influence. What Continentals ask themselves is, "Is Britain prepared to become a member of a community which is deliberately setting out to do that and to accept the changes in its own relationships which are involved?" That is the question to which Britain has to give an answer.

EFTA COMMUNIQUE – December 5, 1966

"A meeting of the Heads of Government and other Ministers of all member countries of the European Free Trade Association and of Finland was held in London on December 5, 1966. The meeting was at the invitation of the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, Mr. Wilson, who presided. . . .

"The topic discussed was economic integration in Europe. The Prime Minister of the United Kingdom explained the purpose of the visits to Member States of the Community. . . . The other ministers welcomed the British move . . . reaffirmed their intention of keeping in the closest consultation . . . emphasized the importance of developing the free market of nearly 100 million people which the European Free Trade Association will be by the end of the year. This market would be an important contribution to the European Economic Community. The two markets together would constitute a larger market in Europe, consisting of nearly 300 million people, thereby creating a stronger basis for the economies of all participating states. At the same time it would make it possible for Europe to contribute more effectively to the developing world.

"The EFTA Ministers welcomed the British Ministers' intention during their visits to capitals of the European Economic Community to stress the outstanding importance of a successful conclusion to the Kennedy Round of tariff negotiations in the GATT."

EFTA Achieves Duty-free Internal Trade

The European Free Trade Association (EFTA) achieved duty-free trade between its members on December 31, 1966, with only a few "minor" exceptions, EFTA announced.

To celebrate the occasion, seven EFTA countries will issue commemorative postage stamps. Other special events include radio and television broadcasts, business meetings, press briefings and promotional distributions.

In addition, the EFTA Council of Ministers will hold its first meeting in 1967 in Stockholm, where the Convention creating EFTA was signed in 1960.

EFTA members are Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom. Finland is an associate member.

U.K. to Test Fuels for Euratom

Irradiation experiments will be performed in Scotland for the Commission of the European Atomic Energy Community.

The United Kingdom Atomic Energy Authority will test fuels and materials from the fast-reactor program, carried out jointly by Euratom and the French and German nuclear energy agencies. UKAEA will do the work at its fast reactor in Dounreay, Scotland, under contract signed with the Euratom Commission in November.

The principal purpose of the work at Dounreay is to develop fast-reactor fuel capable of reaching high burn-up of fissile material. Tests will begin in January 1967 and continue until July 1968, when the first fast reactor in the Community will reach criticality. UKAEA will inspect samples before and after irradiation. The Euratom irradiation program will cost more than $2 million.

Commentary: British Entry

Time is not on our side. . . . By July 1, 1968, the Community will have crystallized. Nearly everything will have been settled. Just 20 months to go. . . .

Let it be declared that Britain wishes to become a full wholehearted member, and to play her part in creating a wider unity in Europe; that Britain is prepared to accept the Community at the stage of development it has reached when we become a member; that we are prepared to accept the Treaty of Rome and the objectives laid down in it. . . . Let the Government, having accepted the non-negotiable basic essentials of the Community, define more precisely the sphere of the negotiations proper on which they will wish to be engaged.

Opposition Leader EDWARD HEATH
Remarks at Conservative Party Rally
November 5, 1966

Harold Wilson wants to make a second attempt to take Great Britain into Europe. He announced to the Commons, "We mean business."

Does he? Harold Wilson has led London's anti-Common Marketeers too long for sudden conversion to be unreservedly accepted on the continent. His declaration was, moreover, so loosely formulated that many issues were left open, above all the question of what special conditions Mr. Wilson wants to secure for Great Britain and what changes in the Treaty of Rome he visualizes. . . . If anything encourages continental advocates of Britain's entry into the Common Market, it is not so much Wilson's move as the increasingly obvious pro-European view of the British people, 68 per cent of whom now support Britain's entry. . . .

It is good to know that the British want to join the Common Market but the deciding factor will be whether or not the self-appointed door-keeper to Europe, Charles de Gaulle, will allow them to enter this time. Time alone will tell. . . .

Die Zeit, Federal Republic of Germany
November 18, 1966

There is a need, as Minister of State George Thompson told the Commons, for a massive campaign of democratic education about the issues. But Mr. Wilson does not propose to shout all the implications from the housetop for France's General de Gaulle to hear . . . Mr. Wilson has a trump card or two concerning the market . . . Britain will not surrender its "special connection" with Washington . . . Britain is not prepared to enter a federalized Europe, whatever may be the implications of the Treaty of Rome . . . Since President de Gaulle is equally opposed to supranational institutions and wants a . . . "Europe of States" instead, this attitude should really be no obstacle to the British bid . . .

The Government insists, of course, that its views have not changed in any way. Devaluation is still firmly ruled out. It cannot be a condition for entry into the Common Market or the price of it. . . . I am not among those Jeremiahs who say that we have an over-valued currency, that the wages and prices policy is a waste of time, and that our economic future is bleak unless we rush into the Common Market on whatever terms are made available. Let the French knock us if they wish, but let's not play into their hands by excessive pessimism.

WILLIAM DAVIS, *Financial Editor,*
The Guardian, British
November 17, 1966

The European Economic Community, the Common Market of the Six, has been organized with the active participation of France. . . . On many occasions, the clarity and the firmness of French authorities has prevented issues from straying into dead ends. Thus, in 1963, we were obliged to put a stop to the negotiations in Brussels for British entry. [Britain] was not then in a position to apply the common rules and had, at Nassau, borne witness to an allegiance alien to a Europe seeking unity.

Moreover, so that the economic community of the Six will endure and be able to continue developing, cooperation is being organized on the one condition that it aim at defining and following a policy that is European, and not at conforming, by principle and necessity with a policy that is not European.

French President CHARLES DE GAULLE,
Press Conference, Paris
October 28, 1966

The remarkably successful American economic penetration of foreign markets is becoming a major issue in world politics . . . expanding the exchange of technicians and techniques throughout the industrial world, helping in the development of the new nations of the world, and even forcing Harold Wilson to grapple at last with the idea that only by getting into the European Economic Community can he become part of a large enough economic unit to compete on equal terms with the U.S.

JAMES RESTON, *New York Times*
December 2, 1966

This returns us to consideration of London's trump card . . . Britain's technological prowess . . . Britain invests more annually in research and development than any other European power . . . Britain leads Europe in nuclear power plant design, in computers, in airplane engines and aircraft design.

Britain could contribute powerfully to Europe's thrust and know-how in those very areas of technological development where tomorrow's industrial competition will occur. A new science-based industrial revolution is seeping over from the United States, and stirring as well in the Soviet Union. . . . With Britain in the Common Market, Europe's chances of big league competition are enhanced. . . ."

WILLIAM H. STRINGER,
Christian Science Monitor, United States
November 30, 1966

"In this field of technological cooperation, no one has more to contribute than Britain."

When Prime Minister Harold Wilson spoke these words earlier this month at the Lord Mayor's banquet in Guildhall, he was touching on what is perhaps Britain's most telling asset in its search for entry into the European Common Market. . . . Individually, the major countries of Western Europe cannot compete successfully with the United States in technology or in research and development. The resources and the market in the United States are so vast that . . . European manufacturers of computers, aircraft and automobiles—to name only three big industries—are already hard put to hold their own against American competition. . . .

But even more than in the aircraft field, Britain could buttress the rest of Europe—and particularly the Common Market—if it offered closer association in the peaceful development of nuclear power and in electronics. This is the dowry that Britain can bring to the Common Market's door. Mr. Wilson clearly hopes it will be for him an "Open Sesame!"

Christian Science Monitor, United States
November 29, 1966

British entry into the Common Market would sharpen her competitive position, would confront her with no rules that she could not obey, would place on the Six no financial obligations that they have not already willingly undertaken, would associate her with partners whose exposure to inflationary dangers is not very different from her own, and whose balances of payments are less intrinsically stable, and would remove the root cause of her present external difficulties."

Apart from France, the United Kingdom is the only one of the seven to have achieved a positive current balance over the whole period (1955-65) . . . The size of her invisible surpluses, in relation to the visible deficits which they cover, is striking . . . The UK alone of the seven is an important *net* investor abroad . . . She has . . . devoted part of her current earnings to amassing a greater stake in enterprise overseas. There can be little doubt that this gives the stronger long-term position . . . Thus it would be difficult to argue that Britain's balance of payments is not at least as soundly based as that of the Community . . .

One strong and legitimate motive for British official expenditure overseas is the knowledge that she is thereby paying the dues owed by any nation wishing, as she does, to exert international influence and accept international responsibilities . . . In British eyes, the Community itself must inevitably develop into a political force of world stature, and it is basically for this reason that she wishes to join.

W. A. P. MANSER, *Scholar,*
Emmanuel College, Cambridge
Westminster Bank Review
November 1966

EAST AFRICA–EEC NEGOTIATIONS RESUME

Seek Basis for Agreement to "Develop Mutual Economic Relations"

FORMAL NEGOTIATIONS for an Association Agreement have resumed between British Commonwealth members Kenya, Uganda, Tanzania, and the European Economic Community.

A joint delegation represents the three independent East African countries, which coordinate some of their economic policies within the East African Common Services Organization (see box page 15). The East African delegation met with representatives of the EEC Commission in Brussels from November 7-17 for the first formal negotiating session in more than a year.

In July 1966, after two years of negotiations, the Community signed its first Association Agreement wtih an English-speaking state, Nigeria. (See European Community No. 95.) Negotiations with Kenya, Uganda, and Tanzania have a longer history.

First English-speaking African States to Request Talks

The three East African countries were the first English-speaking African states to request formal negotiations with the Community.

In September 1963, prior to Kenyan independence, Tanzania and Uganda submitted a memorandum to the EEC Commission requesting informal exploratory talks. The memorandum expressed interest in examining the possibilities for an Agreement with the Community, primarily concerning trade. The EEC imports mainly tropical products from East Africa.

The East African countries based their request on the second of three alternatives proposed (in the July 21, 1963, Declaration of Intent) to guide countries seeking a special relationship with the Community. The EEC member states approved the Declaration in Yaoundé at the signing of the Convention associating the 18 African and Malagasy states with the Community. The Declaration enabled English-speaking African states, with economies similar to the Yaoundé Associates', to approach the Community independently of the British Commonwealth.

The East African states, like Nigeria, rejected the first and third alternatives: accession to the Yaoundé Convention, or formulation of a trade agreement on one or many products. They decided to apply for a separate Association Agreement.

Four Commonwealth Countries' Desires Similar

Neither the East African countries nor Nigeria sought development financing, unlike the Yaoundé Associates. The four Commonwealth countries wanted trade preferences.

The July 1966 Agreement associating Nigeria with the EEC was hailed by Community and Nigeria spokesmen as a prototype solution for other English-speaking African countries. The Agreement reconciled Nigerian desires to increase exports while protecting infant industries, Community insistence on the principle of reciprocity, and the interests of the Yaoundé Associates.

Nigeria accorded the Community small customs preferences on 26 commodities. The Community agreed to allow all but four Nigerian exports to enter at the internal rates of duty (20 per cent of the 1958 level, to be reduced to zero level on July 1, 1968). The four excluded products (cocoa beans, plywood, peanut and palm oils) were also important Yaoundé exports. For these, the Community agreed to establish, and gradually enlarge, duty-free import quotas.

Formal Exploratory Talks Started in 1964

Formal exploratory conversations between the EEC Commission and the East African delegation were held in Brussels from February 2-14, 1964. The EEC Council of Ministers gave the Commission a formal negotiating mandate at its October 12-13 session. Formal negotiations opened on March 1, 1965, and continued through March 8.

The Community maintained that an agreement must embody the principles of reciprocity set forth in the Yaoundé Convention, if necessary by minimal or "symbolic" concessions. The three East African countries, seeking trade

EEC Commission President Walter Hallstein received members of the delegation from East Africa on November 7: Sheik A. M. Babu, Tanzanian Minister of Commerce and Industry; and Mwai Kibaki, Kenyan Minister of Commerce and Industry; C. J. Obwangor, Ugandan Minister of Commerce and Industry; and C. G. Kahama, Tanzanian Ambassador to the Federal Republic of Germany.

advantages, preferred not to accord preferences to Community exports.

At the request of the East African states, the second formal negotiating session, scheduled for June 1965, was postponed because it conflicted with a Commonwealth meeting in London. The three East African countries also said that they wanted to establish "diplomatic relations" with the Community before starting the second phase of negotiations. The meeting, rescheduled for July 1965, was cancelled because of the crisis which arose on June 30, 1965.

November 7-17 Meeting "Rounded off Usefully . . ."

A communique issued by the EEC Commission on November 17 stated that the climate in which negotiations had been conducted had made it possible to "round off usefully the exchange of views on a possible Association." The negotiators had thoroughly explored "the elements on which an Association could be based to develop mutual economic relations." Both delegations, the communique concluded, "hope to continue the present round of discussions in the near future."

EAST AFRICAN EXTERNAL RELATIONS

Kenya, Tanzania, and Uganda belong to the East African Common Services Organization (EASCO), the Organization for African Unity, the United Nations, and the British Commonwealth (Tanzania, however, broke diplomatic relations with the United Kingdom in 1965 over policy toward Rhodesia).

EASCO succeeded the East African High Commission, which Britain had created after World War II to administer its three dependencies. An East African Common Market was also envisioned.

EASCO today administers such joint public services as railroads and telecommunications, and coordinates some economic policies.

Nationalistic and separatist pressures have prevented EASCO from functioning smoothly since the three attained independence, despite consistent attempts at different levels to strengthen the Organization. These efforts have ranged from meetings of the Presidents through meetings of experts under the auspices of the United Nations Economic Commission for Africa.

Until 1965, the trio had had one currency, regulated by the East African Currency Board. That year, each country instituted its own national currency and central bank. Progress towards customs union has also suffered from the Governments' desires to protect their national industries and to increase national revenues with higher customs duties.

EASCO has a secretariat, a legislative assembly, and an executive, "the East African Common Services Authority." The Organization has four main working groups—communications; finance; commerce and industry (including establishment of the customs union); and social services, labor, and industrial relations. Each country is represented equally in the institutions. Decisions of the assembly must be approved by the three Presidents.

KENYA

Population: 6,620,000

Land Area: 220,000 sq. miles

Capital: Nairobi (population, 300,000)

Recent History: A dependency of the Sultanate of Zanzibar in the last century, Kenya became a British protectorate in 1895 and a colony in 1920. After six months of internal autonomy, Kenya became independent on December 12, 1963. On December 12, 1964, Kenya became a Republic. Jomo Kenyatta, Prime Minister during the first year of independence, was then elected President.

Economy: The Kenyan economy (most highly developed of the three republics) is primarily agricultural. Regional differences in altitude permit widely varied crops, both tropical and temperate.

TANZANIA

Population: 10,000,000

Land area: 341,000 sq. miles

Capital: Dar es Salaam (population, 130,000)

Recent history: Tanganyika was part of German East Africa until World War I. It became a British-administered League of Nations mandated territory, and in 1946 a British-administered trust territory of the United Nations. Tanganyika became independent on December 9, 1961.

Zanzibar (part of the British East African Protectorate) achieved independence on December 10, 1963. After violent revolution, Zanzibar became a republic on January 18, 1864, then united with Tanganyika in April. The Republic of Tanganyika and Zanzibar later chose the present name, Tanzania.

Economy: Tanzania (largest of the three states both in population and land area) has a primarily agricultural economy. Crops include sisal, cotton, coffee, oils and oil seeds, tea, coconuts, cloves (from Zanzibar),

UGANDA

Population: 7,000,000

Land area: 80,000 sq. miles

Capital: Kampala (population, 200,000)

Recent history: In 1894, the Kingdom of Buganda and neighboring territories were declared a British protectorate. After six months of internal self-government, Uganda attained independence on October 9, 1962. The next year, "dominion status," under which Uganda had been governed by a prime minister and a governor general as the representative of the Queen, was abolished. Uganda then became a presidential federation and the *Kabaka* (King) of Buganda, the largest of the country's four kingdoms, was made President. In April 1966, Uganda became a republic and Milton Obote, previously Prime Minister, was elected to the Presidency.

Economy: The most densely populated of the three, Uganda has a basically agricultural economy. Uganda —largest coffee-grower in the British Commonwealth —also produces cotton, tobacco, sisal, sugar, oils and oil seeds, hides and skins, and some timber.

Lufthansa, *with its fully standardized Boeing fleet, now depends entirely on imported aircraft and parts.*

AIRLINES STANDARDIZE WITH DOUGLAS AND BOEING

European Aircraft Industry Ignored Spaak's Warning in 1956

By **HANS VON PTZYCHOWSKI,** *Staff Writer for the German Daily Newspaper Tagesspiegel*

ONCE EUROPEAN AIRCRAFT swept the skies of every continent, but today American planes dominate international air space.

"No country on the Continent can manufacture commercial aircraft without help from outside," Paul-Henri Spaak warned as early as 1956. Many, noting the innovations in aircraft design which Europeans were then making, deemed Mr. Spaak's statement unduly pessimistic.

In France, the design for the *Caravelle,* a revolutionary twin-engined jetliner, was receiving the final touches. The British four-engined turboprop *Viscount,* after proving itself in international air routes, had even been purchased by China. The extensively modified British jetliner *Comet* was ready for its maiden passenger flight. In the Netherlands, the twin-engined turboprop *Friendship* was beginning a surprise run of international successes.

But the European aircraft industry did not obtain orders for later models. Unlike the Europeans, the Americans had been following a purposeful long-term policy.

Boeing Initiates Fleet Standardization Concept

The Boeing Company initially concentrated on its Model 707, the inter-continental jetliner which entered commercial service in 1958. Boeing first challenged European dominance of medium- and short-range air transport with the Boeing 727, introduced in 1964. Deliveries of the smaller, shorter-range Model 737, designed for a two-man crew instead of three, are scheduled to begin in 1967. Both the 727 and the 737 have the same essential components as their big sister, the Boeing 707.

The concept of fleet standardization had been born. It would facilitate the supply of spare parts, lower their cost, and enable more rational planning than had ever been possible before.

European Lines Standardize

The first big European airline to standardize was the German *Lufthansa,* refounded after the war with an incongruous assortment of aircraft. In 1960, Boeing delivered *Lufthansa*'s first Model 707.

Lufthansa also ordered the medium- to long-range Boeing 720, the short- to medium-range Models 727 and 737, and three Boeing 747 "jumbo jets." *Lufthansa,* with its completely standardized fleet, now depends entirely on imported aircraft and parts.

The standardization concept caught on. Other European airlines started replacing their French and British middle- and short-range planes. Airlines which already owned Boeing 707 intercontinentals chose other Boeing aircraft. The lines which used the 707's competitor, the Douglas DC-8, ordered its companion model, the DC-9, also American planes.

The views expressed in this article do not necessarily reflect the policies of European Community institutions.

October 1966	Boeing Orders					Douglas Orders	
Airlines	707	720	727	737	747	DC-8	DC-9
Air France	33	—	4	—	4	—	—
BOAC (British)	21	—	—	—	6	—	—
Lufthansa (German)	20	8	26	21	3	—	—
Sabena (Belgian)	10	—	4	—	—	—	—
Alitalia (Italian)	—	—	—	—	—	21	28
Iberia (Spanish)	—	—	—	—	—	11	15
KLM (Dutch)	—	—	—	—	—	23	16
SAS (Scandinavian)	—	—	—	—	—	18	15
Swissair	—	—	—	—	—	8	12

And in Europe?

The *Caravelle,* after serving as the model for several Eastern and Western aircraft, has no successor, although it remains the medium-range plane in widest European use.

More than 400 orders were placed for the Dutch *Friendship.* However, only one order has been placed (by a German charter airline) for its successor, the twin-engined jet F-28.

Sales of the BAC-One-Eleven, the jet age successor to the Viscount, have disappointed the British aircraft industry. The BAC-One-Eleven appeared on the market sooner and at a lower price than comparable American planes. No large European Airline decided in its favor. To date, 120 have been sold, primarily to U.S. lines. Most airlines had decided to standardize their fleets. The advantages of a homogeneous fleet over-rode any the new British aircraft might offer.

The three-engined medium-range Trident and the four-engined VC-10 suffered a similar fate. They were purchased by only a few small lines and the British state-owned airlines.

The British Government refused the financial support necessary to manufacture a VC-10 "stretched" to carry 250 to 300 passengers. No single company could or would invest on the necessary scale. It was feared that the large airlines would prefer American models for reasons of standardization and the project was abandoned.

Jumbo Jets and SST's Come of Age

Now the jumbo jets and the super-sonic transport planes are coming of age.

While Europe and the United States were debating whether a 250- or 500-passenger aircraft could best handle the anticipated increase in passenger traffic, Boeing announced the Model 747, the first of a new generation of commercial airliners. The four-engined 490-passenger intercontinental jet will enter service in 1970.

Pan American Airways, which in the 1950's had outdistanced its competitors by placing the first large order for jet-propelled aircraft, again secured the first of a series by ordering 25 Boeing 747's. To safeguard their competitive positions after 1970, when the jumbo jets will enable drastic fare reductions, *Lufthansa* and other major airlines also placed orders.

In the supersonic air transport race Europe, particularly France and Britain, have pinned their hopes on the 136-passenger *Concorde,* which will carry 28,000 pounds over 4,000 miles at 1,450 miles per hour. The British Aircraft Corporation and Sud Aviation, joint-manufacturers of the *Concorde,* list its basic price at $16 million. Scheduled for proving flight in February 1968, the Franco-British SST will be ready well before its American competitor.

The American SST will be produced by Boeing or the Lockheed Aircraft Corporation. (The U.S. Federal Aviation Agency's decision is expected before the end of 1966.) It will seat between 250 and 350 passengers, carry 40,000 pounds over 4,000 miles at 1,800 miles per hour. Its basic price is anticipated at $35 million.

The French and British Governments will have spent $1.4 billion to develop the *Concorde.* This sum includes expenses from drawing board, through certification, and for two years of modification studies to be conducted after the plane enters service. At the beginning of December, 69 orders had been placed for the *Concorde,* compared with 108 for the American SST, on which the American Government is spending $2.1 billion.

SST ORDER BOOKS—DECEMBER 1966

	Concorde	*American SST*
European airlines:		
Air France	8	6
BOAC	8	6
Lufthansa	—	3
Sabena	2	—
Alitalia	—	6
Iberia	—	3
KLM	—	3
SAS	—	—
Swissair	—	—
Pan American Airways:	8	15

Small wonder that the British Government, obliged to take extreme economy measures, is worrying whether the *Concorde* will turn out to be a multimillion pound loss.

The French and British Governments will have spent $1.4 billion to develop the Concorde.

Government Must Decide "Degree of Support"

A *Lufthansa* director recently expressed his airline's regrets that no German aircraft was fully developed and ready to meet its requirements. He added, "It is not the airlines' place to explain why the German aircraft industry cannot meet these requirements. Decisions on the degree of support for a country's aircraft industry are of national importance, but governments must make them, not the airlines."

Airlines, passengers and tax-payers, called upon to finance state airlines when the need arises, must welcome the creation of homogeneous fleets. More rational servicing reduces operating costs, lowers fares, stimulates passenger travel. Airlines' earnings rise.

The discouraged European aircraft industry now has little chance of selling its production, much less of financing new designs. Highly skilled enginers and designers are beginning to migrate to the U.S. from Germany, Italy, France, the Netherlands, and even from Great Britain.

Can airlines follow a rational fleet policy without detriment to the aircraft industry in the nation-states of Europe? Coordinated and concerted action, without thought for national prestige, might solve the crisis.

However, discussions on constructing a "European air bus" to high passenger frequency routes threaten to continue forever. Pessimists already proclaim the project a failure. If the writing on the wall has been read, it has not been understood.

U.S.-Germany to Develop VTOL Fighter

Entwicklungsring Süd of Frankfurt, Germany, and the Republic Aviation Corporation of Farmington, Long Island, will develop the airframe for a vertical-take-off-and-landing (VTOL) fighter plane.

The Governments of the United States and the Federal Republic of Germany will each finance 50 per cent of the airframe development. The U.S. Government will finance the development of the engine.

The U.S. Department of Defense awarded the project definition contract for the airframe on December 8 to EWR Süd and Republic. One other German and three other American manufacturers had competed in the first stage. Each contestant received $1 million.

To cover expenses during the second stage, ending April 1, 1967, EWR Süd and Republic will each receive $3 million. The third stage, prototype development, will cost $500 million.

The lift engine for the VTOL fighter will be developen by Allison of the United States and Rolls Royce of Britain. The American companies Curtiss Wright, Pratt-Whitney, and General Electric are competing to design the lift-cruise engine.

NEWS BRIEFS

Common Market
Euratom
Coal & Steel Community

Fast Breeder Assemblies Go Critical

The European Atomic Energy Community's reactor development program passed a milestone December 15. The European research effort bore fruit when the MASURCA (*Maquette Surgénératrice Cadarache*) assembly in France and the SNEAK (*Schnelle Null-Energie Anordnung Karlsruhe*) assembly in Germany went critical.

Both are fast breeder assemblies to be used for the study of reactors of this type. Fast breeder reactors have the economically attractive characteristic of producing more fuel than they consume.

The entire Community fast reactor program is carried out in association with Euratom, which has a full exchange agreement with the U.S. Atomic Energy Commission for the pooling of information on fast reactors.

The fissile materials powering SNEAK and MASURCA amount to 350 kg of plutonium purchased by Euratom from the AEC and 1638 kg of uranium 235. The plutonium fuel elements were manufactured in Europe by the Transuranium Institute, a Euratom joint research center, and ALKEM, a private consortium in Karlsruhe.

The industrial design for MASURCA was developed by the *Société belge pour l'énergie nucléaire (Belgonucléaire)*, while SNEAK was designed by Siemens. Both were constructed under Euratom associations as part of the Community's research program.

The two assemblies will simulate the nuclear characteristics of large-scale fast breeders. Their size is sufficient for studying neutron behavior of commercial power reactors as large as 1000 MWe and over. Fast breeder reactors of this scale are expected to be in commercial use by 1980.

The Community already has three other installations for the study of fast reactors which have been operating more than a year. RAPSODIE, a 20 MWth sodium-cooled experimental reactor, is due to go critical at Cadarache next year.

EFTA Renews Call for European Unity

The Governments of the 13 members of the European Free Trade Association and the European Economic Community have again been asked to promote European unity.

The statement made in November by the International EFTA Action Committee, composed of political, labor, and business leaders, also urged the removal of non-tariff barriers to trade between the EFTA countries. The Committee favored the creation of a European technological community and unanimously agreed that "the new British approach [to the Community] is of paramount importance for the unity of Europe. It is the future of Europe which is at stake and not merely the application of one country to join the European Economic Community." The committee urged all EFTA and EEC governments to "do everything in their power to ensure that this initiative results in . . . full membership of the European Economic Community for those member countries of EFTA which wish to join and close association with the Community for the other EFTA countries." The Committee "expects governments to approach these discussions with the will to create the basis for a truly united Europe by strengthening the European Economic Community and its institutions through the inclusion of all EFTA countries."

Information Center Automatized

Community scientists have the world's first automatic documentation system for nuclear science and technology.

The European Atomic Energy Community has established the system in its Center for Information and Documentation in Ispra, Italy. Bibliographical references and "key words" of 400,000 documents on nuclear science published in the Community and other countries are stored in a computer. Each year, more than 100,000 new references will be added.

The system will automatically retrieve the references which answer specific questions. Customers will then receive photocopied abstracts of the documents.

The automatic documentation service, after an initial test period, will be made available to Community scientists and industrialists. Eventually, scientists in non-member countries will also be able to use it.

Eliminating Double Taxation in EEC

A multilateral convention would spare Community citizens living in one member state while working in another some of the inconveniences which arise from concurrent tax jurisdictions, experts agree.

While bilateral agreements on double taxation are common, the legal and fiscal consequences of a multilateral agreement are not yet clear. To consider these and other problems connected with double taxation, the tax directors of the six members of the European Economic Community met with the EEC Commission on November 8-9. Preliminary work done by tax experts enabled agreement on the definition of "fixed establishment," the treatment of dividends paid by parent and subsidiary companies, licensing rights, and interest payments.

EIB Makes Second Issue in Belgium

The European Investment Bank has issued FB 500 million ($100 million) in bonds in Belgium, raising its total funded debt to $352.1 million.

This is the Bank's second public bond issue in Belgium. The EIB will use the proceeds for its general lending operations.

An international banking syndicate has underwritten the bonds, which have a face value of FB 5,000 each ($100.00). Offered at 99 per cent, the bonds carry annual interest at 7 per cent and mature in 12 years.

Second Medium-Term Program

Preparations have begun for the economic forecasts on which the European Economic Community's second medium-term economic program will hinge.

The EEC Council of Ministers' decision of April 15, 1964, requires these forecasts to be prepared by a group of economic experts attached to the EEC Commission. This group met in Brussels on November 23 under the chairmanship of the former Director of the Netherlands National Planning Office, M. de Wolff, who is now Professor at the University of Amsterdam.

The Commission submitted the Community's first draft program for 1966-70 to the Council on April 29, 1966.

EEC to Study Electronics Research

The Commission of the European Economic Community has retained the French *Bureau d'information et previsions économiques* (BIPE) to compare the European electronics industries with those in other countries.

The BIPE will subcontract the actual research to French, German, and Benelux research institutes.

Geographical variations in electronics industries, the structure of production and development between 1955 and 1965 will be studied first. The study will then compare the organization of research and development in the EEC electronics industries with such research in other countries, particularly in the United States. After comparative analysis of direct and indirect research incentives, the study will describe the European electronic industry's outlook and make any recommendations necessary to improve it.

EEC to Expand Petroleum Industry

THE EUROPEAN ECONOMIC COMMUNITY is buying a smaller share of its oil from the Soviet bloc than formerly, according to a report released in December by the EEC Commission.

The EEC executive body has just issued two reports, one of which examines Common Market imports of crude and refined petroleum and the other of which gives a general view of 1965 achievements in prospecting, extracting, refining and transporting petroleum and gas.

According to the first report, imports of crude oil in 1965 reached 228 million metric tons, an increase of 32 million tons over 1964. The Middle East is the EEC's chief supplier, though its share fell from 62.3 per cent of the market in 1964 to 61.1 per cent in 1965. Africa has gained rapidly in importance and now supplies 30.2 per cent of the total.

The EEC imported 13.2 million tons of oil from the Soviet bloc in 1965, 300,000 tons more than in 1964 but a smaller share of the total. In 1966 the EEC imported an estimated 15.7 million tons from the USSR and the Soviet bloc nations. France is the largest importer from the bloc, taking over half the EEC's imports from them.

Imports of refinery products have been a small part of requirements, and they fell further in 1965 to 18.4 million tons, or 7.5 per cent of total requirements.

According to the second report, intense prospecting has located new oil resources within the European Community, and proven reserves were estimated at about 219 million tons in 1965. Community production in 1965 was only 15.5 million tons, covering only 7 per cent of requirements.

Reserves of natural gas have fared better, and reserves at the beginning of this year were estimated at 1.6 trillion cubic meters, as against only 300 billion in 1960. Gas, which covered only 4 per cent of the EEC's total energy consumption in 1965, could account for about 8 per cent in 1970.

Total refinery capacity rose to 268 million tons in 1965 and should reach nearly 400 million tons in 1970. Italy was the Common Market's leader in refining capacity with 85 million tons, not including a statutory reserve capacity.

The Community had at the beginning of 1966 3900 kilometers of pipeline and 1265 kilometers more are in the planning stages. In 1970 about 35 per cent of total refining capacity should be linked with pipelines. This will encourage a movement of refineries toward centers of consumption.

PUBLICATIONS AVAILABLE

FOREIGN TRADE: ANALYTICAL TABLES, JANUARY-DECEMBER 1965. Statistical Office of the European Communities, Brussels/Luxembourg, 1966.
Import volume, 402 pages $3.00
Export volume, 758 pages $5.00
Published in a single French-German edition.
Contains:
- *Summary of EEC imports and exports by area and 4-digit commodity groups.*
- *Imports and exports by commodity (5-digit groups), broken down by country of origin and destination.*
- *Imports and exports by country of origin and destination, broken down by commodity (3-digit groups).*

ENERGY STATISTICS 1950-1964 (1965 YEARBOOK). Statistical Office of the European Communities, Brussels/Luxembourg, 1966, 319 pages $2.50
Statistics on the production and utilization of coal, gas, petroleum, petroleum products, and electrical energy in the member states of the Community.

Supplements to the Bulletin of the EEC:

NO. 4-1966, ESTABLISHMENT OF A COMMON PRICE LEVEL FOR MILK, MILK PRODUCTS, BEEF AND VEAL, RICE, SUGAR, OILSEEDS AND OLIVE OIL (Explanatory memorandum and proposals for Council resolutions put forward by the Commission), March 4, 1966, 59 pages . . . . $ .30

NO. 5-1966, REPORT BY THE COMMISSION TO THE COUNCIL ON FUTURE TRENDS IN THE PRODUCTION OF SOME IMPORTANT AGRICULTURAL ITEMS AND POSSIBLE OUTLETS FOR THEM, March 4, 1966, 47 pages . . . . $ .30

NO. 6-1966, ESTABLISHMENT OF A COMMON PRICE LEVEL FOR MILK, MILK PRODUCTS, BEEF AND VEAL, RICE, SUGAR, OILSEEDS AND OLIVE OIL (Annexes and graphs. See No. 4-1966, above), March 4, 1966, 74 pages . . . . $ .30

NO. 7-1966, MEMORANDUM ON THE COMMUNITY'S POLICY FOR PETROLEUM AND NATURAL GAS, February 16, 1966, 15 pages . . . . $ .30

NO. 8-1966, APPROXIMATION OF LEGISLATION—WORK UNDERTAKEN BETWEEN JANUARY 1, 1958, AND MARCH 31, 1966, 25 pages . . . . $ .30

NO. 9/10-1966, MEMORANDUM BY THE COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY ON THE ESTABLISHMENT OF EUROPEAN COMPANIES, April 22, 1966, 20 pages . $ .30

PROGRAM OF INVESTMENTS IN THE PETROLEUM INDUSTRY OF THE COMMUNITY, EEC Commission, Brussels, September 1966, 24 pages . . . . free
Available in French and German only.

COMMUNITY IMPORTS FROM THIRD COUNTRIES OF CRUDE PETROLEUM AND PETROLEUM PRODUCTS IN 1964, 1965 AND ESTIMATES FOR 1966-1967, EEC Commission, Brussels, September 1966, 24 pages . . . . free
Available in French and German only.

REPORTS ON THE PETROLEUM INDUSTRY, *Information Memo P-66,* EEC Commission, Brussels, December 1966, 2 pages . . . . free
English summary of the two reports listed above.

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Issues 89 through 99, February 1966 through January 1967

This is the eighth index since the bulletin was first published in October 1954. Unlike the previous indices, which were alphabetical in form, this is a topical index, in five parts:

This presentation is intended to delineate areas of concurrent responsibility in the work of the European Economic Community (EEC), the Coal and Steel Community (ECSC), and the Atomic Energy Community (Euratom).

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