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COMMON MARKET · EURATOM · COAL & STEEL COMMUNITY

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*SECOND CM ACCELERATION  
PROPOSED*

WASHINGTON, D. C., May 19 --- "The Executive Commission of the Common Market believes that an additional 10% reduction of customs duties at the end of 1961 would in all member states serve to support the favorable development of economic trends and could, through its stabilizing effect on prices, ease the strain which is becoming visible on the markets of certain member states." This is the conclusion reached in an analysis of the economic situation and the outlook for economic developments in 1961 which has been prepared by the Commission of the EEC for the Council of Ministers.

In accordance with the decision of 12 May 1960 on the speedier implementation of the Common Market, the Council of Ministers of the EEC must decide before 30 June 1961 if in the light of the economic trend an additional 10% reduction will be possible on 31 December of this year. For this reason the Commission has forwarded the above communication to M. Spaak, the President in Office of the Council of the EEC.

To support its views the Commission recalls that the Community is going through a period of remarkable expansion. The gross domestic product has, in real terms, risen by 5% in 1959 and by 7% in 1960. The rise in industrial output has been particularly marked: 7% in 1959, 12% in 1960. The Commission further states that the favorable economic trend in the first months of the year and those which can now be more plainly discerned for the whole of 1961 indicate that the forecasts made at the beginning of the year will prove correct in all the member states. It is likely that the rate of growth of the gross domestic product for the whole of the Community will reach at least 5%, and that of industrial output at least 6 to 7%.

The Commission was anxious to emphasize that, in line with the experience of past years, the economic expansion in the Community resulting from the speedier implementation of the Common Market would greatly stimulate imports from non-member countries. The Community's livelier foreign trade would, moreover, help to bring closer together the levels of economic activity in the various member states. This would noticeably improve the conditions for an effective co-ordination of economic policies within the Community and for a liberal commercial policy.

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