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COMMON MARKET · EURATOM · COAL & STEEL COMMUNITY

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FOR IMMEDIATE RELEASE

EUROPEAN COMMUNITY GNP

CLIMBS 7 PER CENT IN 1960

WASHINGTON, D.C., Jan. 23 -- The gross national product of the six-nation European Community rose by seven per cent in 1960 over 1959 in terms of constant prices. By comparison, the President's Council of Economic Advisers has estimated that the United States GNP rose 2.7 per cent for the same period in terms of constant dollars.

Reviewing the 1960 expansion of the Community's economy in a speech before the European Parliament in Strasbourg January 19, Robert Marjolin, Vice President of the European Economic Community (Common Market) estimated that the Community's GNP increase for 1961 will run between four and five per cent. The first quarter, he said, should show continued expansion but at a somewhat slower rate than last year.

"Recent years have brought the Community into full economic expansion," Mr. Marjolin said, "with its industrial production growing at a much more rapid rate than that of other areas of the western world." Industrial production within the Community went up by 12 per cent in 1960 over the previous year. Since the Treaty of Rome establishing the Common Market went into effect three years ago, industrial production has expanded by 25 per cent.

Developments in Italy were particularly encouraging, Mr. Marjolin said, where industrial production went up 15.5 per cent and the GNP 7.5 per cent in 1960. "Italy is beginning to absorb its unemployed into the working force," he said. "The unemployment problem in that country has been the most difficult problem for the Community."

Following are percentage increases for each of the six member countries in terms of GNP and industrial production, 1960 over 1959:

<u>Country</u>	<u>GNP Increase</u>	<u>Industrial Production Increase</u>
Belgium	4 %	6 %
France	5.5 %	10 %
Germany (F.R.)	8 %	11 %
Italy	7.5 %	15.5 % *
Luxembourg	6 %	10 %
Netherlands	8 %	13 %

* Agricultural production in Italy declined 3 to 4 per cent.

The Common Market Vice President noted that monetary reserves in the member countries increased by three billion dollars and that the volume of fixed capital investment went up by 11 per cent in 1960 over 1959.

He devoted part of his reviews to the economic relationship between the Community and the United States stressing that the U.S. will shortly pull itself out of the current recession and that the balance of payments problem will reach a satisfactory solution without damage to the dollar. "It is clear," he said, "that the basic situation of the United States is strong and will be further consolidated when the American economy is again on the road of rapid expansion."

Mr. Marjolin expressed confidence that: "In a few months American production will resume its forward march."

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NOTE TO EDITORS: Verbatim extracts of Mr. Marjolin's speech relating to the United States may be obtained from The European Community Information Service, 236 Southern Building, Washington 5, D. C., telephone National 8-5070.