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COMMON MARKET • EURATOM • COAL & STEEL COMMUNITY

May 13, 1960

FOR IMMEDIATE RELEASE

COMMON MARKET ACCELERATION APPROVED

WASHINGTON, May 13 -- The six member nations of the European Economic Community today approved the proposal to speed the coming-into-existence of the common market, it was reported here from the Brussels headquarters of the Community.

The Community's Council of Ministers voted after a three-day debate to go ahead with the acceleration plan which would reduce tariffs within the Six by a minimum of 40% by the end of 1961 and slash the level of the common external tariff by 20% on January 1, 1961.

Following is the full text of the Council's decision.

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I.

ARTICLE 1

1. Without prejudicing application of the reductions provided for by Article 14 of the treaty, the member states are putting into effect among themselves starting July 1, 1960, on all products, a customs duty equal to the basic duty decreased by 30%.

The decrease to occur on December 31, 1961, will be not lower than 10% in accordance with Article 14 of the treaty. The Council will decide before June 30, 1961, if a supplementary decrease of 10% is possible December 31 of the same year taking into account economic trends.

2. Not later than December 31, 1960, the member states of the European Economic Community will make the first step toward the common customs tariff in accordance with the terms of Article 23, paragraphs 1a and 1b. This step will be calculated on the basis of the common customs tariff less 20%, if in so doing the applicable customs duties are not reduced to a level below the common customs tariff.

3. Products on List G will be treated in the same manner as those covered in Section 2 above. However, on the request of an affected member state, the Commission can decide that for particularly sensitive products of List G, the step towards the common customs tariff will be made on the basis of the customs duties established March 2, 1960.

ARTICLE 2

1. Without prejudicing application of reductions provided for by Article 14 of the treaty, the necessary arrangements must be made by the member states to assure the application of the measures set forth in Article 1, Section 1, first paragraph, and Sections 2 and 3, by December 31, 1960, at the latest.

2. Concerning the Federal Republic of Germany, the step toward the common customs tariff to be made in accordance with Article 23 of the treaty may comprise on December 31, 1960 only a reabsorption of 50% of the conjunctural decreases affecting certain duties.

ARTICLE 3

1. The various tariff reductions made for the benefit of third countries will be provisional.
2. The European Economic Community is ready to discuss with the countries concerned reciprocal benefits which might be granted to it.
3. The member states may proceed toward a wider extension of national decreases within the limits of the common customs tariff, taking into account the reciprocity which would be granted by third countries. Extensions already effected must also be taken into account.
4. It is expected that in the course of the GATT tariff negotiations scheduled for early 1961, all or part of the 20% reduction used in the calculation of the step toward the common customs tariff will be consolidated.

ARTICLE 4

1. Without prejudicing the provisions of the treaty, the member states will remove in the shortest time possible, in the framework of obligations set forth in the GATT and taking into account pertinent recommendations of the IMF, quantitative restrictions on the importation of industrial products.
2. In any case, each member state will remove, on December 31, 1961, all quantitative restrictions applicable to the importation of industrial products from the other members of the European Economic Community.

II.

AGRICULTURE

ARTICLE 5

1. The measures provided for by the treaty, the application of which has been postponed until now, must have been put into force before December 31, 1960.
2. Preparation of the common agricultural policy will be carried out in conformance with Paragraph 4 of Article 38 of the treaty, with a view to accelerating its implementation.
3. The arrangements provided for in Articles 6 and 7 below will, without prejudicing measures resulting from application of the treaty in the agricultural sector, be applicable January 1, 1961, taking into account the following terms.
4. Between now and December 31, 1960, the Council will hold one or more meetings to consult on the proposals relating to Article 43, Paragraph 2, concerning the common agricultural policy, with the special objective of arriving at a community solution to the difficulties arising from different competitive conditions resulting from differences in general agricultural policy, in the agricultural and foodstuff sectors.

In this connection, the Council has set the following working schedule:

- Submission of the final proposals of the Commission before June 30.
  - First general discussion by the Council before July 31.
  - After this general discussion, immediate creation by the Council of a special committee to prepare its decisions.
  - First report of the special committee to be submitted to the Council before October 15.
5. Before December 31, 1960, the Council will report on progress made on points relating to Section 4, first paragraph above.

Depending on its report, the Commission will formulate, as needed, appropriate proposals for the execution of or the eventual revision of the provisions set forth in Section 3, above.

These proposals, which according to Article 149 can be modified by unanimous consent, will be adopted by a qualified majority vote of the Council as stipulated in Article 148, Paragraph 2, second subparagraph, first alternative.

ARTICLE 6

1. Concerning non-liberated agricultural products, there will be a supplementary reduction of 5%, making the reduction of duties applicable between member states provided for in Article 1, Section 1, 25% in relation to the basic duty.
2. The provisions of Article 1, Section 2, above, are not applicable to agricultural products which will be covered by a common policy.

ARTICLE 7

1. The Community-wide quotas, which came into being in accordance with Article 33, Paragraph 1, of the treaty, will be increased annually, until the end of the first stage, by 20% in relation to the preceding year.
2. For the year 1961, each Community-wide quota set in accordance with Article 33, Paragraph 2, of the treaty will be established at 5.2% of national production.
3. Concerning the products not covered by Sections 1 and 2, above, and products for which a contract or long-term agreement has not already been concluded, the member states must permit imports equivalent to the average of actual imports during the three years preceding January 1, 1958, increased by 10% each year for 1959, 1960 and until the end of the first stage.
4. The measures provided for in Sections 1, 2, and 3, above, will no longer be applicable in the event that member states have put into practice measures leading to the establishment of the common agricultural policy, which would include the abolition of quantitative restrictions and tariffs among themselves.

III.

ARTICLE 8

The present decision, recorded in the minutes of the session of the Council, will be published in the Official Gazette of the European Communities.

The governments of the member states will notify the Secretary General of the Council within one month whether supplementary regulations are required in their internal laws to assure the implementation of this decision, and, in the affirmative, they will notify him without delay of the institution of such regulations.

Brussels, May 12, 1960

The Secretary General                      The President

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At the same session of the Council, the member states of the European Economic Community adopted the following declarations of intention:

DECLARATION OF INTENTION CONCERNING INTERNAL ACCELERATION

The Council confirms its intention to proceed as rapidly as possible with the acceleration of the treaty, working not only toward customs union, but, at the same time, toward economic integration in all sectors.

It particularly affirms its determination to speed up the application of social measures, especially those relating to vocational training, to the free movement of labor, to the application of social security systems to the categories of workers most directly affected, and to equal salaries for men and women.

In the matter of transport, competition and the right of establishment, the Council reaffirms its intention to pursue a policy in harmony with the rate of development of other areas of the common market.

It attaches particular attention to the economic development of the associated Overseas Countries and Territories, and will take the necessary steps to enable them to benefit fully from the association.

It invites the Commission to submit to it within three months concrete proposals in these various areas.

DECLARATION OF INTENTION IN THE FIELD OF EXTERNAL RELATIONS

The European Economic Community intends, while looking after the requirements of its own development, to pursue a liberal policy toward third countries and especially toward the other European countries--a policy which does not lose sight of matters of particular concern to them. The Council confirms in this respect the intentions it expressed in its decision of November 24, 1959.

The Community is prepared to actively proceed with negotiations with all states or groups of member states of the Committee of 21.

Within this framework, the negotiations to be undertaken in particular with the member countries of the European Free Trade Association should preferably be oriented toward the maintenance of the traditional trade between the European Economic Community and the countries of the European Free Trade Association, in conformance with the GATT regulations, and if possible towards increased trade.

In seeking such cooperation with a view to reciprocal reduction of trade barriers, the principles of the GATT must be respected. It is on such a basis, without questioning, on the part of the European Economic Community, the constitution of the customs union on which it is founded, that cooperation may be sought, especially in the area of tariffs.

The European Economic Community reaffirms its decision of November 24, 1959, by which it proposed the creation of a Contact Committee which would permit it to watch over the development of trade currents and to find the appropriate means of meeting the difficulties which might arise.

The Committee of 21 has this under consideration.

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The Council has instructed its President to communicate to the countries concerned the text of the declaration of intention in the field of foreign relations.

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ANNEX

Following is the text of the various articles in the European Economic Community Treaty to which some of the Council's decisions refer:

ARTICLE 14

3. In respect of each product, the basic duty which shall be subject to the successive reductions shall be the duty applied on 1 January 1957.

2. The timing of the reductions shall be as follows:

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

(b) in the course of the second stage, a reduction shall be made eighteen months after the beginning of that stage; a second reduction, eighteen months after the preceding one; a third reduction shall be made one year later; and

(c) the reductions which still remain to be made shall be carried out in the course of the third stage; the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall fix their timing by means of directives.

3. At the time of the first reduction, Member States shall, in respect of each product, bring into force as between themselves a duty equal to the basic duty less 10 per cent.

At the time of each subsequent reduction, each Member State shall reduce the total of the duties in such a way as to reduce by 10 per cent its total customs receipts as defined in paragraph 4, it being understood that the reduction in the case of each product shall be equal to at least 5 per cent of the basic duty.

In respect of products, however, on which a duty of more than 30 per cent would still remain, each reduction shall be equal to not less than 10 per cent of the basic duty.

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

5. Any special problems raised by the application of the preceding paragraphs shall be settled by directives issued by the Council acting by means of a qualified majority vote on a proposal of the Commission.

6. Member States shall report to the Commission as to the manner in which the preceding rules for the reduction of duties are applied. They shall endeavor to ensure that the reduction applied to the duties on each product shall amount:

--at the end of the first stage to at least 25 per cent of the basic duty; and

--at the end of the second stage to at least 50 per cent of the basic duty.

If the Commission finds that there is a danger that the objectives laid down in Article 13 and the percentages fixed in this paragraph may not be achieved, it shall make any appropriate recommendations to the Member States.

7. The provisions of this Article may be amended by the Council acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted.

ARTICLE 23

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

ARTICLE 23 (Cont.)

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

(b) in the case of the other tariff headings, each Member State shall, as from the same date, apply a duty which reduces by 30 per cent the difference between the duty in fact applied on 1 January 1957 and that under the common customs tariff;

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

(d) in the case of tariff headings for which the duties under the common customs tariff are not yet known at the end of the first stage, each Member State shall, within a period of six months after the Council has acted in accordance with the provisions of Article 20, apply such duties as shall result from the application of the rules contained in this paragraph.

2. Any Member State, which has been granted the authorization provided for in Article 17, paragraph 4, shall, for as long as that authorization is valid, be exempted from applying the preceding provisions to the tariff headings covered by the authorization. At the expiry of such authorization, the Member State concerned shall apply such duty as would result from the application of the rules contained in the preceding paragraph.

3. The common customs tariff shall be applied in its entirety not later than at the date of the expiry of the transitional period.

ARTICLE 38

1. The Common Market shall extend to agriculture and trade in agricultural products. Agricultural products shall mean the products of the soil, of stock-breeding and of fisheries as well as products after the first processing stage which are directly connected with such products.

2. Save where there are provisions to the contrary in Articles 39 to 46 inclusive, the rules laid down for the establishment of the Common Market shall apply to agricultural products.

3. Products subject to the provisions of Articles 39 to 46 inclusive are listed in Annex II to this Treaty. Within a period of two years after the date of the entry into force of this Treaty the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall decide as to the products to be added to that list.

4. The functioning and developments of the Common Market in respect of agricultural products shall be accompanied by the establishment of a common agricultural policy among the Member States.

ARTICLE 43

1. In order to formulate the guiding lines of a common agricultural policy, the Commission shall, upon the date of the entry into force of this Treaty, convene a conference of Member States, with a view to comparing their agricultural policies by drawing up, in particular, a statement of their resources and needs.

2. The Commission, taking due account of the work of the conference provided for in paragraph 1, shall, after consulting the Economic and Social Committee and within a period of two years after the date of the entry into force of this Treaty, submit proposals concerning the working out and putting into effect of the common agricultural policy, including the substitution of national organizations by one of the forms of common organization provided for in Article 40, paragraph 2, as well as concerning the putting into effect of the measures specially mentioned under this Title.

These proposals shall take due account of the interdependence of the agricultural questions raised under this Title.

ARTICLE 43 (Cont.)

The Council, acting during the first two stages by means of a unanimous vote and subsequently by means of a qualified majority vote on a proposal of the Commission and after the Assembly has been consulted, shall issue regulations or directives or take decisions, without prejudice to any recommendations which it may make.

ARTICLE 148

1. Except where otherwise provided for in this Treaty, the conclusions of the Council shall be reached by a majority vote of its members.
2. Where conclusions of the Council require a qualified majority, the votes of its members shall be weighted as follows:

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

Majorities shall be required for the adoption of any conclusions as follows:

--twelve votes in cases where this Treaty requires a previous proposal of the Commission, or

--twelve votes including a favorable vote by at least four members in all other cases.

3. Abstentions by members either present or represented shall not prevent the adoption of Council conclusions requiring unanimity.

ARTICLE 149

When, pursuant to this Treaty, the Council acts on a proposal of the Commission, it shall, where the amendment of such proposal is involved, act only by means of a unanimous vote.

As long as the Council has not so acted, the Commission may amend its original proposal, particularly in cases where the Assembly has been consulted on the proposal concerned.

ARTICLE 33

1. Each of the Member States shall, at the end of one year after the entry into force of this Treaty, convert any bilateral quotas granted to other Member States into global quotas open, without discrimination, to all other Member States.

On the same date, Member States shall enlarge the whole of the global quotas so established in such a way as to attain an increase of not less than 20 per cent in their total value as compared with the preceding year. Each global quota for each product shall, however, be increased by not less than 10 per cent.

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

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

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

In the case where there is no such national output, the Commission shall fix an appropriate quota by means of a decision.