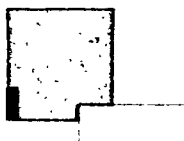


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Supplement to this Bulletin

(to be distributed later)

First implementing regulation pursuant to Articles 85 and 86 of the Treaty.

The Community enters its second stage

by

Prof. Walter HALLSTEIN

President of the Commission of the European Economic Community.

For the institutions of the Community the end of 1961 not only marked the end of a year of hard work, and for the Community itself the close of a year of progress; it was also a critical moment in the process leading to complete integration of the economies of the Member States.

The authors of the Treaty of Rome looked upon the Community as an irrevocable fact. Nevertheless, during the negotiations some concessions had to be made to those who had misgivings over the implications of this venture. It was therefore agreed that once only, namely at the end of the first four-year stage, the forward march of the Community could be halted if the objectives specifically laid down for the first stage had not in fact been achieved and if, subject to the exceptions and in accordance with the procedures provided, the obligations had not been fulfilled. Article 8 of the Treaty laid down that a confirmatory statement to this effect should be made at the end of the fourth year by the Council, acting by a unanimous vote on a report of the Commission; failing unanimity vote, the first stage was to be automatically extended for one year.

The difficulties encountered during 1961 in certain important fields are known, as are the concerns, or even anxieties, felt, as the first stage drew towards its close, by all those who have the cause of European integration at heart. But these fears were groundless; thanks to the common resolve the Council was able at its session from 18 to 21 December, which was extended to cover 29 and 30 December and the period from 4 to 14 January, and after arduous discussions in which the problems were studied in all their technical details, to take a series of decisions by which the move into the second stage was accomplished.

This vital step deserves to be considered in all its significance; in the first place it means that the balance sheet for the first period has been approved; more than that, it confirms the resolve of the Member States to continue the implementation of the Treaty and the strengthening of the Community; and finally it opens the way to a new stage of development.

In the terms of the Treaty itself transition to the second stage is conditional upon a statement that the essence of the objectives specifically laid down for the first stage has been achieved and that the obligations have been

observed. Legally and politically this certainly carries weight, but such a bald statement does not give a complete picture of our progress towards making the Community a reality. From the report submitted by the Commission to the Council under Article 8 and the Commission's "Review of the first four years" laid before the European Parliament it can be seen that a great deal of ground has been covered in all the spheres to which the Treaty applies and that implementation has been speeded up, showing that the Member States are firmly resolved to press forward the establishment of the Common Market.

The results achieved in the first stage are set out in detail in these two reports. It will therefore be sufficient here to draw attention to some of the main points.

A first set of problems dealt with concerned the progressive establishment of free movement. As from 1 January 1962 customs duties amongst the Member States have been lowered by 40 % for industrial products and, as regards agricultural produce by 35 % for non-liberalized and 30 % for liberalized products, whilst quantitative restrictions have been totally abolished except for agricultural produce and goods produced by state monopolies. The first approximation of national tariffs towards the common external tariff was effected on 1 January 1961, i.e. one year ahead of schedule. The duties of the common tariff had already been fixed, with one exception. The first measures have been taken for progressively freeing the movement of workers, capital and services and giving effect to the right of establishment.

In matters of trade, transport and competition decisions have been taken which pave the way for common policies as stipulated by the Treaty; the adoption of the first regulation on cartels deserves special mention. The Community has also been active in sectors for which the Treaty lays down that national policies must be brought into line or co-ordinated.

The association of the overseas countries and territories with the Community is now an accomplished fact, thanks to the first measures taken in regard to trade and thanks to the operations of the Development Fund. The accession to independence of most of the associated countries has entailed changes in the procedures governing relations between these countries and the Community, but the fundamental provisions for association have been confirmed pending new arrangements to be negotiated with the countries concerned, which will be the subject of a second Association Convention.

In its relations with the outside world, the Community has already begun to take its rightful place as the economic unit which it will soon be. Its growth and influence have had effects not only in Europe, where, after the

association of Greece, Great Britain and other countries have applied for membership of, or close links with, the Common Market, but throughout the free world where the Community's example may inspire endeavours to put economic relations between countries on a new basis; this seems to be particularly evident in the very important initiative which the American Administration has recently taken in the field of commercial policy.

Finally, and this is the most important and decisive point, substantial progress has been made with the common agricultural policy; the Council has made Regulations setting up European market organizations and a transitional levy-system for a list of important products. These decisions (1), which confirm the success of what has without doubt been the most arduous task of all, namely to create conditions for a Common Market in agriculture, which is traditionally the least liberalized of any, have made a deep impression on public opinion and have strengthened confidence in the future Europe.

This brief review leads to the encouraging conclusion that in the first four years of its existence the Community has on the whole fulfilled the expectations of its founders; and apart from its economic achievements it has to its credit many political results which would have appeared utopian at the time of its inception.

The significance of the decision to move on to the second stage cannot be overestimated.

Now that the critical hour has passed, we may calmly reflect upon the dangers to which a negative decision would have exposed the Community. Internally, any halt in the process of building up the Common Market would have caused a stir in public opinion, especially among leaders of industry, who would have begun to fear that the great European market for which they were preparing with courage and imagination might never come into being. Externally, the lively impression made by the rapid development of the Community might have been effaced and all the plans for establishing new relationships in the free world might have been called into question. There is no mistake about it: a negative decision would have given rise to uncertainty, confusion and defeatism; to all those who are working for the unification of Europe — and they are legion — it would have appeared as a failure likely to compromise the plans for political union which are at present being mooted.

All this was avoided. Mere mention of these dangers shows how welcome is the decision taken.

(1) For details see Chap. I of this Bulletin.

So, four years after the entry into force of the Treaty, the Member States have reaffirmed their will to put the Treaty into effect in its entirety. However stringent the Treaty may be, however great its powers of compulsion, we must recognize that on this dynamic resolve, continually renewed and confirmed, depend the vitality and strength of the Community and its prospects of reaching the end of the transition period before the appointed date.

The decision to move on to the second stage also means that henceforth developments will be irrevocable. The Treaty offers no further opportunity for halting the course of its implementation. Therefore, unless there be some unforeseeable upheaval in Europe or throughout the world, it is now certain that our venture will be brought to a successful conclusion.

Also the move to the second stage will enable the Community to maintain its momentum and fulfil its manifold potentialities. The Community's attraction for several European countries, which has led them to apply for membership or association, is strengthened by this manifestation of a common will. The move to the second stage is a factor making for the success of the present negotiations. A similar effect can be expected as regards relations with the United States; in that country, where the move towards European unification has received so much support and where there is a manifest desire to establish closer partnership with Europe, the move to the second stage will be acclaimed with satisfaction and regarded as proof that the Americans have guessed right in what they propose to do. In Europe itself economic integration is the necessary foundation of any progress towards effective political union; the advance to the second stage will, in the eyes of the governments, parliaments and public opinion in general, promise success for our present tasks.

What then are the prospects which lie before the Community for the year 1962?

The Community will be mainly concerned with its unremitting task of bringing the Treaty into operation in all fields. The efforts made at the end of the first stage cannot be made a pretext for a breathing-space; on the contrary, the speedier removal of trade obstacles will call for more exertions in all sectors. Acceleration would be pointless if it did not mean reaching the end of the transition period sooner than was originally intended; our plans for all the other sectors where measures must be taken during the transition period will have to be adjusted accordingly.

But the course of events in the world, and the changes which the rapid growth of the Community has helped to bring about, will in 1962 face its Institutions and the Governments of the Member States with unusual problems

of structure and policy; it is no exaggeration to say that we have reached a turning point in the history of the western world.

There is every reason to believe that 1962 will be the decisive year for the negotiations with Great Britain and the other European States which have applied for membership of the Community. The entry of Great Britain will profoundly strengthen the Community, provided that the objectives, methods and spirit which have prevailed so far are kept intact; with this proviso there is no one who would not ardently wish for an early and successful conclusion of the negotiations.

Recent statements by the highest authorities of the United States seem to foreshadow closer links between that country and the Community and a new organization of economic relationships in the free world. Here we must think no so much of a Community based on integration, such as that instituted by the Treaties of Paris and Rome, but rather of partnership in an endeavour to solve some of the world's most pressing problems such as :

- i) A general lowering of customs barriers, with a view to liberalizing the flow of goods, capital and services;
- ii) Co-operation of the industrialized countries in aid to States whose economy is less developed;
- iii) Common action to maintain a sound monetary system;
- iv) Establishment of stable conditions in the principal raw materials markets;
- v) Means to remedy the simultaneous existence of famine and food surpluses.

Such a partnership, based on the general rules of GATT and operating through the OECD, would show that the United States and the Community are aware of their joint responsibility towards the other nations of the free world.

The year 1962 must also see the end of the preparatory work for the renewal of the Implementing Convention relating to the association of the overseas countries and territories; the new provisions which must take effect on 1 January 1963 will be drawn up in consultation with all the associated countries which have gained independence.

Finally, the Community's future will be influenced by the efforts of the six governments to set up a "Union of European Peoples". The inner driving force of the Community has always been an aspiration towards political unification; the successful conclusion of the undertaking sponsored by the heads of State and Government will, at least in part, give the peoples of Europe what they have so long wished for.

I. The Council's decisions on the transition to the second stage and the common agricultural policy

On 14 January 1962 the Council of Ministers of EEC, acting on a report of the Commission, unanimously made a confirmatory statement to the effect that the essence of the objectives laid down in the Treaty of Rome for the first stage had been achieved. Under Article 8 (3) of the Treaty this statement was the condition for the transition to the second stage, which was therefore decided on with retroactive effect from 1 January 1962.

As early as 24 November 1961 the European Parliament had pronounced itself in favour of transition to the second stage while urging that the Council should simultaneously take the main decisions outstanding, in particular in the agricultural sphere.

The Council's "confirmatory statement" is closely linked with a body of decisions taken from 18 December 1961 onwards dealing with competition policy (first regulation pursuant to Articles 85 and 86 on cartels); social policy (timetable for the introduction of equal pay for men and women workers as provided for in Article 119) and the common agricultural policy. The decisions on cartels and social policy which were made before 31 December 1961 have already been mentioned in the last number of the Bulletin (1/62). Attention will be drawn here to the regulations, decisions and resolutions concerning the common agricultural policy adopted by the Council in the early hours of the morning of 14 January 1962 at the conclusion of the session begun on 18 December 1961.

These are :

a) Texts on the organization of the market in certain products :

- i) Regulation on grain;
- ii) Regulation on pigmeat;
- iii) Regulation on poultry;
- iv) Regulation on eggs;
- v) Regulation on fruit and vegetables;
- vi) Regulation on wine-growing;

vii) Decision on wine quotas for Germany, France and Italy.

- b) Texts of general import establishing rules applicable to all products :
 - i) Financing regulation (establishment of the Guidance and Guarantee Fund);
 - ii) Regulation on rules of competition pursuant to Article 42;
 - iii) Decision concerning processed agricultural products taken under Article 235 and, in pursuance of this;
 - iv) Decision fixing a list of products on which import dues will be levied;
 - v) Decision pursuant to Article 44 concerning objective criteria for the establishment of minimum prices.
- c) Two resolutions laying down the principles and timing of the action to be taken :
 - i) Resolution on dairy produce;
 - ii) Resolution on beef and sugar.

The Council spent more than 140 hours in deliberations on these agreements. Such an arduous task had never before been undertaken by the Ministers of the Six and it is therefore all the more remarkable that it was brought to a successful conclusion.

In Articles 38 to 47₂ on agriculture the Treaty of Rome provides the general framework and lays down the principles but does not specify the procedure to be followed. Thus the task of the Commission and of the Council was not merely to take the executive measures, but to elaborate a whole complex of regulations defining and launching the Community's agricultural policy. On the one hand the regulations lay down the legal basis of the common market organizations for the main agricultural products, and on the other they interpret the Treaty provisions on agricultural and food products as a whole from the angle of rules of competition and minimum prices. The resolutions give a first outline of the common market organizations for some other sectors (dairy produce, sugar, beef and veal) for which regulations have still to be drawn up.

These regulations also lay down certain rules pertaining to the institutions. The regulations and decisions of the Council, which by the end of the transition period (7 1/2 years) will make agricultural policy a purely Community question, confer wide powers upon the Community institutions from 1 July next.

These powers are to a large extent vested in the Commission itself. The Council is the deciding body in the most important matters; in other cases it can review decisions made by the Commission. It will be noted that a great number of Council decisions can be taken by qualified majority once the regulations have come into force. All Council decisions will be by majority vote from the beginning of the third stage.

The decisions to be taken by the institutions of the Community fall into three categories :

a) On major questions, such as approximation of prices, it is the Council that decides, after considering a proposal of the Commission; the voting procedure in the Council is as laid down in Article 43 of the Treaty, i.e. unanimity during the second stage and qualified majority thereafter;

b) Implementing decisions of some importance (reduction in the intra-Community levy on wheat or the fixing of quality standards for certain fruits and vegetables, etc.) are taken by the Commission, after hearing an advisory body known as the Management Committee and subject to possible review by the Council.

Decisions on purely executive measures are taken by the Commission alone.

This distribution of powers was made with a concern to avoid excessively rigid voting procedures which would make the system unworkable. This explains the large number of decisions entrusted to the Commission, with the Council retaining power of review in a limited number of cases only. For the same reason all decisions will be made by majority vote even before the time when the common agricultural policy falls entirely within the competence of the Community.

The functioning of the " Management Committees " referred to above calls for some explanation. These Committees are set up for each category of products covered by the different regulations (grain, pigmeat, poultry, etc.). They consist of representatives of the Member States under a chairman provided by the Commission : they give their opinions by a qualified majority of twelve votes, the votes of the various representatives being weighted in accordance with Article 148 (2) of the Treaty. (France, Germany, Italy : 4; Belgium, Netherlands : 2; Luxembourg : 1). The chairman has no vote.

Questions are referred to the Management Committee either by its chairman or on his initiative or at the request of a Member State. The Committee acts as follows : the Commission submits to it the draft of the decision it proposes to take and the Committee renders an opinion. If the Commission accepts this opinion the decision is immediately effective and is not subject to review.

Should the Commission not accept the Committee's opinion the decision is none the less effective, but it is referred to the Council, which may amend or cancel it within a month by qualified majority. The Council's intervention does not suspend the Commission's decision unless the Commission of its own accord decides on such suspension (if, for example, the matter is not urgent).

The following pages give brief information on all these decisions, which will be published in the official gazette of the Communities.

The Regulation on grain and derived products

The grain Regulation mainly applies to the following products :

- a) Wheat, rye, barley, oats, maize, buckwheat, millet, etc.
- b) Hard wheat,
- c) Cereal groats and cereal meal (wheat, rye, etc.),
- d) Processed products.

With effect from 1 July 1962, intra-Community trade and trade with the non-member countries in all these products is liberalized, i.e. customs duties, quotas, long-term contracts, import taxes and minimum import prices are abolished. All these measures are replaced by the "levy", an amount equal to the difference between the price prevailing in the importing country and the price (generally lower) offered by the exporting country.

The amount of the intra-Community levy "is equal to the difference between the price of the product coming from the exporting Member State delivered free frontier to the importing Member State... and the threshold price of the importing Member State".

The price of a product from an exporting Member State is fixed on the basis of the prices charged on the most representative markets of the exporting Member State for exports to the Member State in question, subject to adjustment for any difference of quality when compared with the quality taken as standard in fixing the threshold price.

The threshold price is fixed in each Member State "in such a manner that the sale price of imported products on the markets of the marketing centre of the area with the largest deficit is at the level of the basic target price when allowance is made for the lump sum".

Prices on the domestic markets will be formed around the target price of the region with the greatest deficit by the operation of the law of supply and demand. There will also be an intervention price (i.e. the target price reduced by not more than 10 %). This will constitute the main guarantee for farmers since it is the price at which the authorities will intervene and buy in surpluses.

During the transition period the Member State will gradually reduce differences between target prices in such a way that the target price will be uniform for the whole Community by the end of the transition period.

The Council has agreed that a price standstill will be established for the marketing year 1962/1963. This means that the gap between the low-price and the high-

price countries may not be further widened. Thus in the first year there will be no rise in the level of prices in the Community country where they are highest (Germany) nor any fall where they are lowest (France). (Observance of this standstill agreement does not, however, mean that all existing producer prices will necessarily be maintained.)

Acting in accordance with the voting procedure laid down by Article 43 of the Treaty, the Council will decide upon the necessary measures for arriving at a uniform price system for grain in the Community when the common market stage is reached : a basic target price throughout the Community; a single threshold price for each product and a single method of determining intervention prices.

The amount of the levy on imports from non-member countries is equal to the difference between the cif price of the product on the basis of the most favourable purchase price on the world market and the threshold price of the importing Member State.

For the processed products referred to in Article 1 (d) of the regulation (gluten, bran, various forage products, etc.) the levies on imports from non-member countries are made up of two parts :

A *variable* element which corresponds to the incidence on their costs of production of the levies on the basic products from which they are produced or which is fixed by reference to the market conditions for similar products, and a *fixed* element which takes into account the processing industry's need for protection.

Levies on imports from Member States and from non-member countries are collected by the importing Member State and the revenue from them accrues to that State.

All imports and exports are subject to the production of an import or export certificate issued without any limitation by the Member State at the request of the person concerned.

The intra-Community levies will disappear and those on imports from non-member countries will be levelled out as prices are approximated.

Safeguard measures

These apply to all products for which a common market organization is established. If the market of a Member State suffers from or is threatened with disturbances likely to jeopardize the objectives defined in Article 39 of the Treaty, that Member State may take necessary safeguard measures against the

entry of the products likely to create such disturbance. Under this safeguard clause the State in question may, if necessary, suspend imports from other countries. The suspension of imports from a member country becomes immediately applicable to non-member countries. It is provided for in the different regulations, including those on fruit and vegetables, and in principle must be applied as follows :—

1. As soon as the Member State has made its decision it must inform the Commission and the Council. The decision may not be implemented until three days after such notification, this time-limit is intended to enable goods already loaded for transport by rail or road to reach the consignee;
2. After notification the Commission has four days in which to make a decision upholding, amending or cancelling the safeguard measure taken by the Member State. The Commission's decision is immediately applicable.
3. The Member State or any other State may appeal to the Council against the Commission's decision. Such appeal does not suspend the decision.

Two exceptions have been provided for. One allows more and the other less freedom to the Member State :

a) Exception for grain. If the State which introduced the safeguard measure appeals to the Council against the Commission's decision this appeal suspends the decision. The Council has ten days in which to give a ruling.

b) Exception for top quality fruit and vegetables. A Member State may not make use of the safeguard clause without previously consulting the Commission which decides on the advisability of the proposed measure. There is no appeal to the Council. The Commission will allow the safeguard clause to be used only in the event of "serious disturbances" (prices falling for three consecutive days below 82 % of the reference price on the wholesale markets).

Regulations on pigmeat, poultry meat and eggs

The Regulation on pigmeat (sausages, preserved meat and other derived products), the Regulation on poultry meat and the regulation on eggs include similar provisions.

Intra-Community levies for these three products consist of a first amount which corresponds to the difference in feeding costs as between the importing and the exporting countries, arising from the difference in the prices of forage grains. As the gap between these grain prices narrows during the transition period this first amount will gradually disappear.

A second fixed amount is added to the first. For pigmeat this second amount is limited in that when it is added to the first the two together may not exceed the difference between certain average market prices noted during the reference period. For eggs and poultry meat this second amount is based on the customs duties at present applied to these products by the Member States. In the poultry meat sector it is nevertheless possible in exceptional cases to calculate this second amount in the same way as the second amount for pigmeat.

The levies applied to imports from non-member countries are fixed in the same way as intra-Community levies. They also consist of the differences in the cost of feeding-stuffs, of the second amount referred to above and of a third amount equal to 2 % of an average import offer price. This third amount will be gradually raised to 7 % over the transition period.

Intra-Community levies will be progressively abolished in the course of the transition period. The levies on imports from non-member countries will follow the differences between feeding costs in member countries and on the world market arising from disparities in prices for forage grains. They will also be affected by the preferential element contained in the levy (increasing gradually from 2 to 7 %). At the end of the transition period there will be a single Community levy for each product imported from non-member countries.

The levies will guarantee EEC producers continuity of production under normal conditions. In the event of supplies being offered at abnormal prices by non-member countries and endangering normal price formation within the EEC, sluice-gate prices are provided for at the common external frontier to avoid disturbance of internal markets. Should supply prices fall below sluice-gate prices, the levies would be increased. This provision also applies to intra-Community trade in pigmeat during the transition period.

The Regulation on fruit and vegetables

The Regulation on fruit and vegetables establishes a common market organization in this sector on the basis of common rules on competition, including common quality standards.

Thus with effect from 1 July 1962 standardization is made applicable to the majority of products in intra-Community trade and will be gradually applied to the markets of the producing countries.

Graded products may not be subject to quantitative restrictions or to the measures provided for in Article 44 after the following dates :

- a) Top quality products— 1 July 1962

- b) First grade products— 1 January 1964
- c) Second grade products— 1 January 1966.

Nevertheless, in the event of severe disturbances to intra-Community trade, safeguard measures are provided with effect from the dates shown above for the various classes of products ⁽¹⁾.

Protection against imports from non-member countries is ensured by the introduction of the common customs tariff which will be in full operation on 1 January 1970. However, should imports at abnormal prices from non-member countries create serious disturbance on the market of the Community, there is a safeguard clause providing for a compensatory charge on such imports or the closing of the frontier against non-member countries.

During the transition period member countries will complete the harmonization of their system of adaptation vis-à-vis non-member countries. Customs duties between Member States will be gradually reduced and finally eliminated by 1 January 1970.

Complementary regulations concerning the operation of markets and commercial transactions will be drawn up by the Council before 1 July 1964.

The Regulation on the gradual establishment of a common market organization in the wine-growing sector

The main provisions of this Regulation concern the establishment before 30 June 1963 of a register of vineyards, compulsory declaration of the quantities of wine and must produced and the obligation on the Council to draw up Community regulations for quality wines " of specified origin " before 1 January 1963.

The Council has also taken a decision laying down wine quotas for the Federal German Republic, France and Italy.

On 1 January 1962, the Federal German Republic makes available to the Member States a quota for 400 000 hectolitres of wine for the production of sparkling wines and a quota of 800 000 hectolitres of table wines. On the same date France and Italy open annual quotas for 150 000 hectolitres of " quality wines of specified origin ".

(1) See above p. 14.

The Regulation on the financing of the common agricultural policy

A European Agricultural Guidance and Guarantee Fund is set up. Title I ("single market stage") lays down that "receipts from levies on imports from non-member countries shall accrue to the Community and be used to meet Community expenditure, so that the budget of the Community shall include these receipts and all other receipts accruing under the rules of the Treaty, with the budget contributions of the States as laid down in Article 200 of the Treaty".

Since the price systems at the single market stage will be unified the financial burdens of the common agricultural policy will be borne by the Community. The Fund will finance refunds on exports to non-member countries, action for the regularization of markets and measures to achieve the objectives of Article 39 (1) of the Treaty without, however, encroaching on the activities of the European Investment Bank or the European Social Fund.

The Fund forms part of the Community's budget.

Title II (transition period) specifies that expenditure for the following purposes can be approved by the Fund: refunds on exports to non-member countries, intervention on the internal market for purposes identical to those of such refund or by virtue of Community rules, and certain measures to further the aims of Article 39 (1 a).

Community financing of these last three types of intervention will be the subject of an implementing decision by the Council on a proposal of the Commission.

Each year the Council examines the consequences of Community financing of export refunds and of the common agricultural policy. Before the end of the third year the Council will also review, on the basis of a Commission report, the operations of the Fund as a whole, the allocation of receipts and the progress of the common agricultural policy.

The amount of money allocated to the Fund is fixed annually by the Council by normal budget procedure.

During the first three years the receipts of the Fund will be from financial contributions by the Member States, calculated in part according to the scale laid down in Article 200 (1) of the Treaty and in part in proportion to the net imports of each Member State from non-member countries. (The percentages used are such that the bulk of the receipts will be according to the scale in Article 200.) This regulation applies to grain, pigmeat, poultry meat and eggs with effect from 1 July 1962, to the dairy produce market from 1 November 1962 and to other markets as may be necessary on dates to be fixed by the Council.

Decision concerning objective criteria for the establishment of minimum price systems and the fixing of these prices (Article 44)

For all products which are not dealt with by regulations the system of minimum prices laid down in Article 44 of the Treaty may be applied by the Member States as a safeguard measure.

The decision introduces, on the one hand, notification of intention to establish minimum prices and on the other, supervision of the level of such prices.

Any Member State proposing to introduce a minimum price system must declare its intention to the Commission a clear fortnight before the date planned and before fixing such prices. Once the prices are fixed the Commission must again be notified at least three days before they come into force.

The following rules apply according to whether the products are subject to a market organization or not :

1. The minimum price for products for which an intervention price exists may not exceed 105 % of such intervention price;
2. The minimum price of other products may not exceed 92 % of the average wholesale prices during the previous three years.

Where a system of minimum prices is applied below which imports may be temporarily suspended or reduced [first case under Article 44 (1)] the reference price is the weighted average of wholesale prices in the importing State or the average of several representative wholesale markets.

If an exporting Member State guarantees a minimum import price to an importing State invoking Article 44, the importing State applies vis-à-vis the exporting State a minimum price system under which imports must be made at a price higher than the minimum fixed for the product in question. If it should appear that there is a danger of the import price not being observed, the two States consult each other with a view to restoring the effectiveness of the price guarantees.

Failing agreement, the importing State may have recourse in urgent cases to the system of minimum prices below which imports can be temporarily suspended or reduced, informing the Commission to this effect without delay; the Commission then gives an opinion.

Three years at the latest after the entry into force of this decision the Council will make its first review of the objective criteria.

Decisions providing for a levy on imports of certain goods processed from agricultural products (Article 235)

Should the industries processing agricultural products in a Member State be threatened by competition from similar industries in other Member States producing the same goods from cheaper raw materials, the importing Member State may with the authorization of the Commission impose a countervailing charge on the entry of certain products (sugar, molasses, grain, potato starch, chicory and milk).

The Commission decides whether the necessary conditions are present in the Member State applying and fixes for the product in question the amount of the charge (at a flat rate) and the manner of applying it. The charge is fixed in relation to the effect on production costs of the difference between the actual cost of the materials used as an ingredient of the products in question plus an amount representing protection for the processing industry in the applicant State. In the first year this amount may not exceed 5 % of the price (customs duties and charges with equivalent effect are deducted from the total of these two elements). The charge must be fixed in such a way as not to handicap the exports of a Member State in relation to those of another Member State and to preserve a Community preference.

A special decision of the Council lists processed products to which these provisions may be applied. These include various types of confectionery, chocolates, baby foods, macaroni and similar products, bread and pastry, ship's biscuits, roasted chicory, yeast, milk drinks, dextrose, casein, etc.

Regulation applying certain rules of competition to production of and trade in agricultural products [Articles 42 and 43 (2)]

This Regulation provides that Articles 85 to 90 of the Treaty (cartels and dominant positions) and their implementing provisions shall apply to all agreements, decisions or practices covered by Article 85 (1) and Article 86 of the Treaty. However, Article 85 (1) (cartels) does not apply to agreements, decisions and practices which are an integral part of a national market organization or are necessary for the attainment of the objectives set forth in Article 39 of the Treaty. This exception covers in particular certain farmers' associations or federations.

The Commission has sole power, after consulting the Member States, to decide what agreements, decisions and practices fulfil the conditions required for exemption.

Article 91 (1) on dumping is applicable to trade in the products listed in Annex 2 of the Treaty. But the Commission must appraise all the causes of the practices

complained of, in particular the prices at which imports from other sources enter the market in question.

Article 93 (1) and the first sentence of Article 93 (3) apply to aid granted to the production of or trade in these same commodities.

Resolutions on beef and veal, sugar and dairy produce

The Council passed a resolution concerning the market for beef and veal and the market for sugar in which it invites the Commission to make proposals on these subjects in accordance with Article 43 of the Treaty, such proposals to be submitted before 1 May and 15 July 1962 respectively. The ensuing regulations are expected to come into force on 1 November 1962 and 1 January 1963.

The Council invited the Commission to submit proposals on dairy produce before 1 May 1962 with a view to making a decision under Article 43 on 31 July 1962; the regulation on dairy produce should come into force at the latest on 1 November. In its resolution the Council laid down the principles on which this proposal should be based.

The Commission is to submit proposals in respect of rice before 30 April 1962 and on veterinary services before 1 July 1962.

Such, in broad outline, are the Council's decisions for putting into practice the common agricultural policy.

The products covered by these market organizations account for more than half the Community's agricultural output and more than 46 % of intra-Community trade.

Despite the seeming complexity of this system, the measures recently adopted by the Council represent a great simplification compared with all those in force in each Member State. In fact no country has legislation of this sort all in one piece; national market organizations have grown up according to circumstance, more often than not to deal with emergency situations.

The Community's institutions must now embark on a vast programme of legislative work to amplify these decisions, which are an encouraging sign of the progress achieved towards the fulfilment of the aims of the Treaty.

Effects of moving into the second stage

One important aspect of the Council's decision to pass on to the second stage of the transition period is that it narrows down the uncertainty left by Article 8 of the Treaty over the duration of the transition period.

If the Council had not agreed to move on to the second stage, the transition period would have automatically been prolonged beyond the twelve years provided for in the Treaty (even up to the 15-year limit). It is now possible to count on the transition period ending on 1 January 1970, meaning that there are two 4-year stages still to run.

The third stage must follow the second automatically after four years, it being understood that the Council, voting unanimously on a proposal of the Commission, may either prolong (while remaining within the 15-year limit mentioned above) or reduce the duration of the second and of the third stage (whereas it could not modify the first). Need it be said that, as things now stand and in view of what has already been achieved, it is unlikely that either stage will be prolonged.

The second stage should normally end on 31 December 1965. This will be the reference date for the points discussed below, but without prejudice to the possibility of the stage being shortened.

Leaving aside the agricultural questions already discussed, the move into the second stage will have the following consequences for the application of the Treaty or of measures pursuant to it.

Customs and quotas

Customs disarmament : It is now possible to fix the three final dates in this stage by which reductions must automatically take place (without prejudice to any possible speed-up decision). The dates are as follows : 1 July 1963, 31 December 1964 and 31 December 1965. There is also a proposal under consideration that these reductions be preceded by another reduction on July 1 this year.

It will be recalled that the final reductions during the third stage must be effected at dates which the Council will fix later by qualified majority and on a proposal from the Commission.

Alignment on the common external tariff : Under the Treaty a second approximation of 30 % towards the level of the common customs tariff is to take place at the end of the second stage (31 December 1965). The gap between the national tariffs and the CET will then be reduced by 60 %. This does not exclude the possibility of the approximation occurring earlier if the Council takes the speed-up decision already referred to.

Customs duties on exports : From the beginning of the second stage the Member States must abolish as between themselves all customs duties on exportation and

charges with equivalent effect (Article 16). (Charges of this kind are virtually non-existent.)

Quantitative restrictions on imports : Under the speed-up decision of 12 May 1960 all quantitative restrictions on imports were to be abolished on 1 January 1962. The few exceptions to the application of this decision are being studied by the Commission.

Apart from special provisions in the regulations on the organization of markets in certain agricultural products, the move into the second stage does not involve any noteworthy changes in the procedure for eliminating quantitative restrictions in the agricultural sphere. It will, however, be noted, that from the beginning of the second stage the Council may modify, by qualified majority on a proposal of the Commission, the general procedure for eliminating quantitative restrictions provided for in Article 33 if it should appear that this procedure does not make it possible completely to abolish quotas by the end of the transition period [Article 33 (8)].

Quantitative restrictions on exports : From the beginning of the second stage the last quantitative restrictions on exports and all measures with equivalent effect are to be abolished [Article 34 (2)].

Freedom of establishment and services

From the second stage onwards, directives concerning procedure for introducing freedom of establishment and freedom to supply services are issued by the Council acting by qualified majority and no longer unanimously [Article 54 (2) and Article 63 (2)]. The Council also agrees, by qualified majority on a proposal of the Commission and after consulting the Parliament, directives for co-ordinating the regulations of the Member States governing access to non-wage-earning activities (with the exception of matters which in one Member State at least are governed by laws for the protection of savings, particularly measures concerning credit institutions and the banking profession).

The programme will be applied in four stages according to the following timetable :

1. Before the end of the second year of the second stage (end of 1963) :

Almost all industry and wholesale trade; reinsurance.

2. Before the end of the second stage (end of 1965) :

The food industry, certain liberal professions (agronomists, surveyors, tax advisers, architects, accountants, consulting engineers). Retail trade, agriculture (in part), certain branches of insurance, pharmacy (production and wholesale trade).

3. Before the end of the second year of the third stage :

Pharmacy (retail trade), veterinary surgery, medicine, transport (in respect of establishment only), certain branches of insurance.

4. Before the end of the third stage :

Certain industries : shipbuilding, rolling stock, forestry.

Approximation of legislation

From the second stage onwards, directives designed to eliminate disparities in the laws and regulations of the Member States which give rise to distortions of competition will be issued by the Council, on a proposal of the Commission, acting by qualified majority and no longer unanimously (Article 101).

Directives for the approximation of legislation will remain subject to the unanimity rule (Article 100).

Distortions of a fiscal nature

The Member States must amend, at the latest by the beginning of the second stage, any fiscal provisions incompatible with the rules of Article 95 of the Treaty, which prohibits a Member State from imposing on the products of other Member States any internal charges in excess of those applied directly or indirectly to like domestic products.

In the social field

Equal pay for men and women workers

In conformity with the Council's decision of 30 December 1961 the following time-table will be followed :

Before 30 June 1962 : abolition of discriminations in excess of 15 % ;

Before 30 June 1963 : abolition of discriminations in excess of 10 % ;

Before 31 December 1964 : complete elimination of discriminations.

Free movement of workers

Under Regulation No. 15 the Commission is required to submit before 30 September 1962 new liberalization measures to be applied for a further stage with a view to putting the workers of the six countries on an equal footing.

In 1962 a European Clearing Office for the co-ordination of employment applications and offers will be established in Brussels.

In the transport field

The application of rates and conditions involving any element of support or protection in the interest of one or more particular enterprises is prohibited as from the beginning of the second stage unless expressly authorized by the Commission [Article 80 (1)].

Development of the overseas associated countries

The resources of the Development Fund will be totally committed by the end of 1962 or the beginning of 1963.

The new Association Convention covering the relations of EEC with the overseas States is to come into force on 1 January 1963. In 1961 the Commission submitted to the Council a memorandum advocating in particular more ample resources for technical assistance and for the Development Fund.

As may be seen from the list above, the qualified majority vote is substituted in several cases for the unanimous vote in the Council for certain types of decisions. However, it is on transition from the second to the third stage that the most important changes will take place in this respect.

Statement by President Hallstein

At the end of the negotiations President Hallstein made the following statement to the press :

“ This is a victory for the Community and for European agriculture. We are entering the second stage not only with a Community strengthened from within, but also with great new tasks and prospects before us.

From the phase in which obstacles to trade and other distortions were being removed, the Community has taken the decisive step which brings it to the stage of a real, constructive common policy. The decision to move on to the second stage also means that the last opportunity for any one Member State to delay by its veto the entire development of the Community is now past. The result will be new vigour for the further speedy development of our Community.

These decisions have also cleared the way for the Community's great external tasks, such as the accession and association of European countries, the association

of African State, partnership with the United States, development policy, and so on.

The political importance of the great result achieved by the Council in these past weeks cannot be too heavily underlined. There are no other examples of such meetings of Europe's statesmen and officials of the highest rank lasting so long, working so intensively, and devoted so wholeheartedly to the cause of European progress. It is a conclusive proof of the reality of our Community and of its ability to take political decisions of the first order.

The European pact has been renewed; the road is open to a common future."

II. Summing-up of the Conference on Regional Economies

by M. R. MARJOLIN,
Vice-President of the Commission of EEC
(Brussels, 6-8 December 1961) (1).

Ladies and Gentlemen,

As this Conference is drawing to its close, it falls to me to try and sum up our work, a task which is very much simplified for me by the excellent reports presented by my two colleagues, M. Mansholt and M. von der Groeben.

I think my best way of summing up is to recall the aims which we had set ourselves when organizing the Conference, and which were stated in our invitations to you. We had set ourselves four aims and we may now consider whether and to what extent we have attained them.

The first was to establish close relations between the politicians, senior officials and private individuals who, in each of our six countries, are responsible for planning and carrying out regional policy.

I think we may claim that this first aim has been attained, that these contacts have been established. One might even say that there has grown up amongst us a degree of understanding which did not exist at the time when the Conference convened. In particular, we have come to realize that whatever the predominant concept may be in our own country, whether it be free competition or a certain government control, the degree to which the two are mingled in each country is strikingly similar to that in its neighbours.

Though in one country government intervention may be regarded as sinful, and in another the principle of a free market is frowned upon, we realize that in all our countries vice and virtue rub shoulders in much the same way. There is no great difference between the dirigist who admits that competition is necessary in business (and I believe we all agree on this point), and the liberal who admits the need for general directives by the public authorities for the development of economic activity.

We have seen that the means employed in the various countries to deal with matters of regional policy resemble each other greatly, and the more detailed analysis which we shall undertake will bring this point out even more clearly.

(1) See Bulletin No. 1/62, Chap. III.

Our second aim was to draw a clear and precise lesson from what has been done in the six countries to promote more harmonious development in the major regions which make up each national economy. I believe we have attained this aim too, at least to a large extent.

I should like at this stage to pay tribute to our rapporteurs who by the high quality of their work had already covered half the ground which we had mapped out for the Conference, and I would ask you to join me in my thanks.

It remains for us to carry out the long and difficult task of analysing and studying the reports on the debates in the committees and in today's closing session. We shall lose no time in putting this work in hand and shall publish the Conference papers as soon as possible. I should not like to commit myself but we might even be able to issue a special document showing the various courses open to a Government which proposes to pursue a vigorous regional policy. I think I can conclude from our discussions here during these three days that it is now possible to draw up a kind of questionnaire which will help us to see more clearly the trend of the various national policies in this field.

To continue — and still on the subject of our second aim — there are some points which I find particularly striking.

The first is the growing interest which public opinion in our various countries is taking in regional problems. The second is the general tendency for regional policy to form an integral part of national economic policy, whereas so far it had rather been a sort of corrective measure applied to national economic policy, after the latter had produced its centralizing effects. The remoter regions were becoming de-populated, the large central towns were constantly expanding, and the governments were forced to react: a regional policy was worked out, but it was distinct, different, a thing apart from national economic policy.

Although there is still a long way to go, it is being more and more realized that regional policy is not just one item but in fact a thread running through general economic policy; economic policy as a whole must be considered from the angle of its regional effects.

A third point which has emerged from our discussion and to which my two colleagues have drawn attention is the extreme diversity of situations and the great need for caution in making generalizations. This applies in particular to a question which has several times been the focal point of our discussion, namely whether new investments should be poured into some centre of development, or whether they should be spread over a large number of secondary centres. On this point, I feel that the problem arises in one way for the northern and eastern parts of the Community and in another for the southern and western areas. In the

north and east, there already are large industrial concentrations and the problem is one of filling the gaps, or of aiding those areas which within the major industrial region have for one reason or another not been touched by industrialization.

I feel that there is a choice of methods: it can well be argued that such areas should be developed by creating a series of secondary centres. If on the other hand we consider the southern and western parts of the Community, I think we are forced to the conclusion that these regions cannot be developed unless some very large industrial centres are created which will serve as local points for development and the propagation of economic activity in each region. I think this is one of the lessons to be learnt from our Conference.

The last point I wish to make in this context relates to the growing importance attached to social and cultural amenities in any development project. It seems that hitherto too little attention has been paid to this aspect of the problem. Housing, education, recreation facilities, and social life in general in the areas undergoing development are of fundamental importance. Man is not a pawn to be moved about at will on the economic chess-board in order to fit in with some policy conceived in the abstract in some distant office: men will not go to, or stay in, these regions unless good working and good living conditions are provided. How can we make it just as agreeable for a worker or an engineer to live in one of our provincial cities as it is in the great capitals? That is one point to which we might usefully devote our attention in the future.

Our third aim was to throw light on the Community aspect of regional problems, including the impact of the Treaty of Rome and the establishment of the Common Market on these problems and their solution.

I endeavoured in my introductory address to point to various ways in which the Common Market may be expected to influence development in the Community countries. Today I have only two reflections to add. In the first place, the Europe in which we live is marked by full employment, and in many of its northern and eastern areas by over-full employment. Excepting certain regions which are in difficulties for special reasons, one can therefore say that full employment preponderates in the northern and eastern parts of the Community. To be more precise, it is predominant in the central strip which runs from the Netherlands to Northern Italy. In the peripheral areas, as M. Plevin just told us, some of the workers are still unemployed, or not working full-time. Clearly, incentives must be offered to firms to move from the centre to the peripheral areas. It also seems to me that we have some information work to do in explaining to our industrialists the advantages they would gain by hiving off to the peripheral areas; I am not saying that they should move their factories, but

that they should set up new ones in regions where labour is plentiful and where working conditions are not as difficult as in areas of high concentration. This idea of an over-spill from the crowded centres into the peripheral regions is not just a piece of verbal imagery. It corresponds to a hard fact, which should be studied not only with the Governments but also with industrial associations and with individual businessmen to show them where their true interests lie.

At this point I should perhaps explain a remark in my opening address which has caused some misunderstanding. I said that no prosperous and dynamic community was conceivable without a high degree of labour mobility. The misunderstanding is due to the confusion, for which I am to blame, between the terms labour mobility and migration. There is an essential difference between mobility of labour and migration: within a region, or at least within a limited geographical area, workers must be able to move easily from one firm or from one industry to another according to labour requirements or their own wishes. If such a mobility of labour is to be practicable in the small area in which these workers have their homes, it is obviously necessary to provide them with the means for the further training needed. But this kind of mobility, the necessity of which I have stressed, is a very different thing from migration from region to region or from one country to another. Such migration has been, and sometimes still is, necessary but there are certain undesirable social, political and human phenomena associated with it. For this reason my colleagues and I feel that wherever industry can move to the workers, that is the best answer. Industry must go to the worker and the converse should only occur in exceptional circumstances.

This brings me to my conclusion. Our fourth aim was the following: we hope that the Conference would help the Commission to work out the principles by which it will be guided in advising the Member Governments on matters of regional policy.

I do not propose to say a great deal about this today. This Conference, the work done by its committees and plenary sessions, have been such a rich source of information to us that we need time for reflection before we can say on what lines we should proceed. There are nevertheless some immediate practical conclusions which I think we can draw.

The first is that we propose to intensify the co-operation which has already been established between the Commission and the Governments, in particular through the group of senior officials responsible for regional policy; this co-operation has already borne fruit, since our Conference has sprung from it and it is thanks to the preparatory work of this group that it has taken place, I think we may

say, satisfactorily. Our first decision therefore is to maintain and to strengthen the close co-operation which has been established in this field between the Commission and the governments.

My second conclusion amounts to a question: what should be the next stage? More than two hundred and fifty people have worked together here for three days; there can be no question of our separating without any prospect of meeting again or of following up the work we have done together. Personally, I think the method we should adopt should be a little different from that we have followed during this Conference. At the plenary Conference we have been able to make a broad survey of the problems; it seems to me that now we should come to grips with specific problems in smaller groups.

Which are the specific problems that we should have to discuss at a round table conference or symposium? Let me mention a few — this enumeration is by no means exhaustive and I am certain that we shall add many more: there is the problem of the frontier regions which my colleague M. Mansholt has touched on in his report; there is the problem of the dispersal or concentration of new investments which will have to be re-considered in the light of the discussions in our two committees; there is the problem of the nature and extent of aid given by the various governments to private enterprises, looked at both from the positive and the negative point of view, (cannot a government draw conclusions as to the effectiveness of such aid from what is happening in other countries? Does not some of this aid, or certain forms of it, represent a danger to competition in the Community?); there is the problem of social and cultural infrastructure which is an essential aspect of regional development; there is the regional aspect of the transport problem.

This then, is briefly what I feel ought to be done after this meeting, now that contacts have been established amongst those present.

So far as we are concerned we shall continue to give our particular attention to the regional implications of the common policies which it is our task to propose to our governments, and I need not tell you that my colleague M. Mansholt is even better informed after these three days of discussion than he was before about the regional questions which may be raised by the common agricultural policy.

Furthermore we are not only concerned with agricultural policy but also with transport and social policies and generally speaking with all courses of policy which have a Community aspect.

We also intend to go more deeply into the studies already undertaken for each region, the results of which are briefly sketched in the document on regional

delimitation which has been distributed to you. In this document experts from the six countries have tried, with us, to define the problems of each region. This work will be continued.

We should further like, in full agreement with the governments concerned, to press forward with studies for the creation of certain industrial centres in the Community. These cannot be set up without first examining all their implications, social as well as economic. The choice will be difficult, but — as I said in my opening address — we are ready to use every means at our disposal to study how to establish in the Community, especially in its southern and western regions, centres of industrial development which will in time transform the economy of those regions.

Ladies and Gentlemen, from my remarks as to the practical conclusions to be drawn from this Conference you can see that the Commission is ready to do everything possible, within the limits of its competence and in close co-operation with the governments, the other European institutions and in particular the European Investment Bank, to remedy a somewhat disturbing situation which, whilst it is not marked in general by a deterioration in the peripheral regions, nevertheless shows more rapid expansion in the central area, and moreover presents certain regional problems due to a decline in some parts of the central area itself. We are aware of the importance of these problems and are determined to do everything in our power to solve them. That is why I am so grateful to you for your valuable co-operation during these three days, which I am sure you will continue to offer us in the future.

III. The United States and the Common Market

On 11 January 1962 President Kennedy delivered the State of the Union message to the 87th Congress of the United States. Part of the President's message dealt with the attitude of the American Administration to the Common Market and the re-orientation of the commercial policy of the United States.

The relevant part of President Kennedy's message is quoted below :

Our Balance of Payments

On one special problem, of great concern to our friends as to us, I am proud to give the Congress an encouraging report. Our efforts to safeguard the dollar are progressing. In the eleven months preceding last February 1, we suffered a net loss of nearly \$2 billion in gold. In the eleven months that followed, the loss was just over half a billion dollars. And our deficit in our basic transactions with the rest of the world — trade, defense, foreign aid, and capital, excluding volatile short-term flows — has been reduced from \$2 billion for 1960 to about one-third that amount for 1961. Speculative fever is ending — and confidence in the dollar has been restored.

But the problem is not yet solved. Persistently large deficits would endanger our economic growth and our commitments abroad. Our goal must be a reasonable equilibrium in our balance of payments. With the co-operation of the Congress, business, labour and our major allies, that goal can be reached.

Trade

Above all, if we are to pay for our commitments abroad, we must expand our exports. Our businessmen must be export-conscious and export competitive. Our tax policies must spur modernization — our wage and price gains must be consistent with productivity — our export credit and promotion campaigns must continue to expand.

But the greatest challenge of all is posed by the growth of the European Common Market. Assuming the accession of the United Kingdom, there will arise across the Atlantic a trading partner behind a single external tariff similar to ours with an economy which nearly equals our own. Will we in this country adapt our thinking to these new prospects and patterns — or will we wait until events pass us by?

This is the year to decide. The Reciprocal Trade Act is expiring. We need a new law — a wholly new approach — a bold new instrument of American trade policy. Our decision could well affect the unity of the West, the course of the cold war and the growth of our nation for a generation or more to come.

If we move decisively, our factories and farms can increase their sales to their richest, fastest-growing market. Our exports will increase. Our balance of payments position will improve. And we will have forged across the Atlantic a trading partnership with vast resources for freedom.

If, on the other hand, we hang back in deference to local economic pressures, we will find ourselves cut off from our major allies. Industries will move their plants and jobs and capital inside the walls of the Common Market, if they cannot otherwise compete for its consumers. Our farm surpluses will pile up. Our balance of trade, as you all know, to Europe and the Common Market in farm products is nearly three or four to one in our favour, amounting to one of the best earners of dollars in our balance of payments structure. Without the entrance to this market and without the ability to enter it, our farm surpluses will pile up in the Middle West, tobacco in the South, and other commodities which have gone to Western Europe for 50 years. Our balance of payments position will worsen. Our consumers will lack a wider choice of goods at lower prices. And millions of American workers — whose jobs depend on the sale or the transportation or the distribution of exports or imports, or whose jobs will be endangered by the movement of our capital to Europe, or whose jobs can be maintained only in an expanding economy — these millions of workers in your home states and mine will see their interests sacrificed.

Members of the Congress: The United States did not rise to greatness by waiting for others to lead. This nation is the world's foremost manufacturer, farmer, banker, consumer and exporter. The Common Market is moving ahead. The Communist economic offensive is underway. The opportunity is ours — the initiative is up to us — and the time is now.

To seize that initiative, I shall shortly send to the Congress a new five-year trade expansion action, far-reaching in scope but designed with great care to make certain that its benefits far outweigh any risks. The bill will permit the gradual elimination of tariffs here in the United States and in the Common Market on those items in which we together supply 80 per cent of the world's trade — mostly items in which our own ability to compete is demonstrated by the fact that we sell abroad substantially more than we import. This step will make it possible for our major industries to compete with their counterparts in Western Europe for access to European consumers.

On other goods, the bill will permit a gradual reduction of duties up to 50 per cent — permit bargaining by major categories — and provide for appropriate and tested forms of assistance to firms and employees adjusting to import competition. We are not neglecting the safeguards provided by peril points, an escape clause, or the National Security amendment. Nor are we abandoning our non-European friends or our traditional “ most-favoured nation ” principle. On the contrary, the bill will provide new encouragement for their sale of tropical agricultural products, so important to our friends in Latin America.

Concessions, in this bargaining, must of course be reciprocal, not unilateral. The Common Market will not fulfill its own high promise unless its outside tariff walls are low. The dangers of restriction or timidity in our own policy have counterparts for our friends in Europe. For together we face a common challenge : to enlarge the prosperity of free men everywhere — and to build in partnership a new trading community in which all free nations may gain from the productive energy of free competitive effort.

IV. Tariff negotiations within GATT

With the agreement in principle recently reached in Brussels between the Commission and the United States, a major step forward has been taken in the tariff negotiations now under way in Geneva. The Commission has been handling on behalf of the Community both the re-negotiations under Article XXIV (6) and the mutual concessions to be made in the context of the multilateral negotiations.

Details of this agreement will be settled in Geneva between the respective delegations so that it can be signed without delay.

At the end of the Brussels talks the following communiqué was issued :

A meeting was held at Brussels on January 12, 13, 15 and 16 between an American delegation, led by Mr. Howard C. Petersen, special delegate of President Kennedy, assisted by Mr. Charles Murphy, Deputy Assistant Secretary for Agriculture and by Mr. Herman Walker, Deputy leader of the American delegation at Geneva, in the presence of Mr. W. Walton Butterworth, Ambassador to the European Communities, and a delegation of the European Economic Community, led by M. Jean Rey, a member of the Commission, assisted by M. Theodorus Hijzen, head of the Community's delegation in Geneva, and by officials of the Commission.

At this meeting the current negotiations were brought to an end and agreement was reached on the outstanding points, which means that the talks between the United States and the European Economic Community concerning the re-negotiation of the customs tariff on the EEC [Article XXIV (6) of the General Agreement] and the reciprocal cut in customs tariffs (Dillon negotiations) are now concluded. The relevant documents will be signed as usual in Geneva in the course of the next few days in the context of the multilateral negotiations.

V. Accession of other countries to EEC

Negotiations with the United Kingdom

During the month of January negotiations with the United Kingdom were continued by deputies. Working parties pursued the study of the points included in the programme drawn up at the earlier ministerial meetings and reported to the third ministerial meeting on 18 January 1962.

It will be recalled ⁽¹⁾ that the questions now under discussion are of three orders : questions connected with the common external tariff, including a list of products for which the British delegation want nil tariffs; a series of studies on manufactures from the industrialized countries of the Commonwealth : Canada, Australia, New Zealand (agricultural problems are to be considered later); and all the problems posed by the other Commonwealth countries, with a view to taking the vital interests of these countries into account should the United Kingdom accede to the EEC.

Initial consideration was given to these questions.

a) *List of products which Great Britain requests should be duty-free.*

The working party assembled statistical data relating to the products listed in order to compare Great Britain's situation with that of the European Economic Community. As this problem had not been fully examined, the third ministerial meeting instructed the deputies to continue the study and determine what arrangements could theoretically be made for these products under the Treaty of Rome.

b) *Manufactures from the industrialized Commonwealth countries (Canada, Australia, New Zealand).*

A similar procedure was adopted for studying manufactures from the industrialized Commonwealth countries. The working party on these problems began by making a selection among the products on the British list according to the relative importance of the products to the export trade of the Commonwealth countries concerned.

The last ministerial meeting agreed, on the proposal of the Committee of Deputies, that the study of the problems raised by the export of these products should be continued by drawing up a list of the arrangements provided for in the Treaty

(1) See Bulletin No. 1/62, Chap. VI.

which might possibly be applied to them, it being clearly understood that the Community could not consider any solution which involved a preference system of unlimited duration.

c) *Classification of Commonwealth countries according to the main features of their export trade.*

The Commission of the European Economic Community, in collaboration with the British delegation, prepared a classification of the Commonwealth countries according to the criteria it had proposed and which the Conference had adopted on 8 December 1961. The first category consisted of countries whose possible problems were chiefly connected with the application of the common external tariff and of the common commercial policy; the second, those whose main exports might be affected by the present association system; the third, those whose problems were also primarily agricultural in nature. Lastly there were countries in certain special situations.

The Committee of Deputies, having considered this classification, proposed that the Commission and the British delegation should study the countries in this last category in the light of fresh social, economic and geographical criteria.

As well as examining these various problems, the third ministerial meeting heard a statement by M. Mansholt on the common agricultural policy and decided to go into these questions at the next meeting. The Commission of the European Economic Community was requested in the meantime to communicate to the British delegation the final texts as drafted following the decisions of the Council of Ministers.

Negotiations with Ireland

The Council of Ministers met on 18 January 1962 under the chairmanship of M. Couve de Murville, French Minister for Foreign Affairs, to receive an Irish delegation led by the Prime Minister, Mr. Sean F. Lemass, and the Minister for Industry and Commerce, Mr. J. Lynch.

After a few words of welcome from M. Couve de Murville, the Irish Prime Minister made a statement on Ireland's economic situation and explained his Government's reasons for believing that Irish participation in the European Economic Community was feasible.

Ireland, said Mr. Lemass, had for many centuries belonged to Europe by history and her destiny was bound up with that of Western Europe. Ireland was in sympathy with the political aims of the Treaty of Rome.

As for the economic aspects, Mr. Lemass said that although agriculture had a particularly important place in the Irish economy, recent years had seen a drive for industrialization, which had given encouraging results and would make it possible to achieve a better balance in the economy as between industry and agriculture.

Ireland was prepared to accept the common external tariff, subject to negotiation for revision of a few items, mostly downwards, and would play a constructive and co-operative part in the evolution and implementation of the common policies provided for in the Treaty, in particular the common agricultural policy.

Because of the close inter-relationship of the economy of Ireland and that of the United Kingdom, Mr. Lemass continued, it was imperative for the Irish Government to open negotiations with the Community at the same time as the United Kingdom, so as to avoid as far as possible any hiatus in the situation of Ireland in regard to the United Kingdom and the other member countries of the Community.

In conclusion Mr. Lemass declared that his Government felt that Ireland complied with the conditions for making its application to join the European Economic Community and that they hoped negotiations could be begun without delay.

The Council of Ministers agreed to meet the representatives of the Irish Government again at the end of March or early in April. In the meantime the Council would consider Ireland's application for membership of the Community at its March session.

VI. Activities of the Community

EXTERNAL RELATIONS

Requests for the opening of negotiations submitted by Austria, Sweden and Switzerland

1. As reported in the previous Bulletin, the Austrian, Swedish and Swiss Governments have sent to the President of the Council of the Community requests for the opening of negotiations with a view to reaching agreements or arrangements with the European Economic Community which would take into account, among other factors, the neutrality of these countries.

President Ludwig Erhard has sent the three Governments an interim reply informing them that he has noted their requests with interest and a full sense of their importance, and that the requests have been transmitted to the Council of Ministers for study in due course.

The Community and GATT

T a r i f f C o n f e r e n c e

2. The second phase of the tariff conference which, according to the schedule agreed by the Contracting Parties, was to close at the end of 1961 has had to be extended as it proved impossible to complete all the multilateral tariff negotiations in the time allowed. In December the Commission's delegation, which is negotiating on behalf of the Community, initialled agreements with Cambodia, Haiti, Israel, Peru and Portugal. These provide for reciprocal tariff concessions by the Community and by each of the countries in question.

The agreements with Haiti and Peru include not only tariff concessions granted in the framework of the Dillon negotiations but also concessions made to the Community to counter-balance the withdrawal by these countries of certain concessions granted in earlier negotiations to one or more Member States of the Community. The Commission was empowered by decision of the Council of Ministers on 4 December 1961 under Article 111 of the Treaty to conduct such negotiations with any GATT countries wishing to withdraw or modify tariff concessions of interest to the Community.

The Special Committee "Article 111 of the Treaty" instructed to assist the Commission in its negotiations met in December and early January.

Nineteenth Session of the Contracting Parties

3. The Nineteenth Session of the Contracting Parties, in which the Commission participated, came to an end on 9 December (1). The following points were on the agenda on the concluding week's discussions :

Association Agreement with Greece. The European Economic Community and the Greek Government have submitted to GATT the text of the Association Agreement with Greece signed in Athens on 9 July 1961. For the study of this agreement the Contracting Parties have adopted the procedure already followed in similar matters : any country concerned may put questions to the Community and to Greece concerning the provisions of the agreement and its implementation. On 29 March next a working party will begin a study of the information supplied in reply to these questions.

Accession of new countries to GATT. On the last day of the session Tanganyika became a Contracting Party, bringing the number of GATT member countries to 40. On the same day the Contracting Parties agreed to the accession of Israel and Portugal on the basis of the results of the tariff negotiations conducted by the Governments of these countries at the 1960/1961 Tariff Conference. Israel and Portugal will become Contracting Parties thirty days after signing the Protocol of Accession. On the other hand, as the working party for consultation with Switzerland did not recommend full and definitive membership for this country, the Contracting Parties extended for a further period of three years the status of provisional membership whereby Switzerland is enabled to take part in the work of GATT.

At the close of the session the Contracting Parties elected officers for 1962. M. W. van Oorschot, Director General of External Economic Relations in the Netherlands Ministry of Economic Affairs was elected President.

Relations with international organizations

Organization for Economic Co-operation and Development (OECD)

4. The Council of OECD met on 5, 12 and 19 December 1961, the Commission being represented. The questions dealt with at this meeting included :

a) Action in the field of restrictive business practices.

The Council decided to set up a committee of experts on restrictive business practices. The members will be appointed by the Governments of the Member States.

(1) The proceedings of the first two weeks were reported in the last Bulletin.

b) The economic growth target approved by the Ministerial Council.

Following the recent meetings of Working Party No. 2 of the Economic Policy Committee, the Secretary-General made a statement to the Council on the measures to be taken and procedure to be followed to implement the ministerial resolution concerning the 50 % economic growth target ⁽¹⁾.

The first conclusions reached by Working Party No. 2 of the Economic Policy Committee show that in certain special fields exchanges of data and experience will be particularly useful in implementing the resolution. Such exchanges concern inter alia the influence of research and development expenditure on growth; the part which may be played by policies to improve the mobility of manpower; price and wages policy; investments and savings.

The Council decided to request the Executive Committee to examine the draft instructions which will be prepared for this purpose by the Secretariat.

c) *European Monetary Agreement*. The Council approved a draft decision to prolong the European Monetary Agreement.

d) *The Code of liberalization of current invisible transactions and capital movements*. Under the instructions given it by the OECD Preparatory Committee, the Committee for invisible transactions has studied the draft code for the liberalization of current invisible transactions and the draft code for the liberalization of capital movements.

This study was made in the light of the new conditions which would prevail after the establishment of OECD, i.e. the extension of the advantages of liberalization to all members of the International Monetary Fund on a non-discriminatory basis and the possibility for all members of OECD to adhere to the Code of liberalization of invisible transactions.

The Council adopted the new versions of the Code of liberalization of current invisible transactions and of the Code of liberalization of capital movements.

e) Relations between OECD and the EEC Commission.

It will be for the Secretariat of the Organization and the staff of the EEC Commission to study together the new arrangements to be made to promote close working relations between the two bodies. It is suggested that the Permanent Co-ordination Committee, which was set up within OEEC might be revived. The Commission's representative emphasized the importance the Commission attaches to its relations with OECD and to maintaining and strengthening the Co-ordination Committee.

(1) See Bulletin No. 1/62, Chap. VIII, sec. 7.

f) Establishment of a Technical Co-operation Committee.

The Council approved the establishment of a committee to co-ordinate all technical assistance activities undertaken by the various committees of the Organization. This Committee will be known as the " Technical Co-operation Committee ".

A s s e m b l y o f W e s t e r n E u r o p e a n U n i o n

5. The Assembly of Western European Union held its seventh session (second part) in Paris from 11 to 15 December 1961 under the presidency of M. Arthur Conte.

Among the items on the agenda the following are worthy of special note :

a) The progress of negotiations for the accession of the United Kingdom to the European Economic Community.

A resolution was adopted reading, in part :

" The Assembly,

Welcoming the historic decision of the United Kingdom to apply for entry into the European Economic Community and the opening of negotiations to this end...

... Expressing the wish that negotiations between the Six and the United Kingdom succeed as soon as possible in the best interests of Europe and of the free world...

Recommends the Governments of Member States,

1) That they spare no effort whatsoever to ensure the success of the negotiations for the accession of the United Kingdom to the Treaties setting up the three European Communities;

2) That they in no respect allow a weakening of European integration on a Community basis, as laid down in the letter and enshrined in the spirit of the Treaties of Paris and Rome... "

b) Agricultural problems involved in the accession of the United Kingdom to the European Economic Community.

Two reports were submitted, one on the position of the United Kingdom and the other on the position of the Six in the agricultural sphere.

In the part of his report which deals with British agricultural policy, Mr. Mathew discusses the difficulties which will face Great Britain — a country which is a large importer of foodstuffs and operates a system of support for agriculture which is based on subsidies and deficiency payments and thus differs from those generally employed on the Continent. The report also mentions the difficulties which might be encountered by certain Commonwealth countries which are exporters of foodstuffs. Nevertheless, Mr. Mathew concludes that these problems are not insoluble.

In the debate M. Mansholt, Vice-President of the EEC Commission, made a statement on the common agricultural policy which was received with special interest.

Commodity problems

International measures to counteract price fluctuations

6. The Community's staff have made a preliminary examination of a draft drawn up by six experts at the request of the United Nations on the introduction of financial measures to counteract fluctuations in the export incomes of the primary producing countries. The study of these problems will be vigorously pursued in preparation for the tenth session of the Commission on International Commodity Trade to be held in Rome in May 1962.

Establishment of missions from non-member countries at the seat of the Community

7. The competent authorities of EEC have acceded to the request of the Peruvian Government for the establishment of diplomatic relations with the Community.

ECONOMIC AND FINANCIAL AFFAIRS

The quarterly report on the economic situation of the Community

8. The Commission of the European Economic Community has just published its quarterly report on the "Economic Situation of the Community". This report analyses the economic situation of the Community and of the Member countries at the end of 1961 and the prospects for the first half of 1962, and examines the problems of economic policy involved.

The Commission notes that in the third and — as far as can be seen — in the fourth quarter, the economic activity of the Community continued its advance. The pace of expansion may, however, have slackened to some extent, owing, perhaps primarily, to the strained situation on the labour market, but also to the trend of demand. In 1961 total industrial production in the Community will probably have exceeded that of the previous year by 6 % and the real gross product may prove to be approximately 5,3 % higher; in 1960, the corresponding rates of growth were 13 % and 6.9 %.

Exports to non-member countries rose appreciably in the third quarter. They were 10 % higher in value than in the corresponding period of the previous year and were largely influenced by favourable economic trends in the United States and by demand from other European countries — except Great Britain.

In the third quarter the expansion of internal demand was somewhat less vigorous than that of external demand. Nevertheless, fixed investment in general continued to grow — though at a slightly slower rate — and was considerably above the level of a year earlier. The movement of stocks had a generally damping effect on economic expansion, which is most clearly reflected in a weakening of the demand for raw materials and semi-finished goods, especially for iron and steel. In the third quarter the rise in consumers expenditure continued, and even accelerated slightly in the Federal Republic of Germany, in France and in Italy.

Internal supply expanded only slightly in the third quarter and industrial production hardly registered any further increase; after allowance for seasonal variations, the expansion of production from the second to the third quarter was only about 0.5 %, compared with a rise of 1 % in the second and 2 % in the first quarter. This slowdown is to be attributed mainly to the severe strain on the labour market in most member countries. In the Netherlands and in the Federal Republic of Germany there has even been a drop in the actual hours worked. Nevertheless, the trend of demand may also have caused a slowdown in the expansion of production or even a restriction in some sectors.

Whilst growth of wealth in the services sector was again vigorous, especially in tourism, the rise in agricultural production was only slight; with the exception of Italy harvests were everywhere lower than in 1960.

Despite the still quite marked expansion of demand in general and the slowdown in the rate at which production has been growing, imports have not gained further momentum. There has even been a fall in their value, which in the third quarter was only 2 % higher than in the corresponding period of the previous year, whereas in the first half of 1961 the growth rate had been 6 %. Whilst purchases of certain raw materials, semi-finished goods and some agricultural products weakened, imports of finished goods — especially of consumer goods — continued to expand rapidly.

Because of the slackening of imports and expansion of exports the Community's trade balance had a surplus of \$320 million in the third quarter after a deficit of \$160 million in the second. Nevertheless, the official gold and foreign currency reserves of the Member States have risen only slightly because there have been considerable exports of capital.

In the opinion of the Commission, the prospects for the first half of 1962 indicate that expansion will continue. However, as in some countries and in some sectors

certain factors are damping the expansion of demand, and as physical obstacles will remain, the rate of expansion is likely to be slow. In most member countries the growth of fixed industrial investment may well decline. Nevertheless, private consumption will continue as an important factor making for expansion, and external demand may be expected to provide a further stimulus.

It is not possible to foresee at present whether the strength and duration of such factors, and the financial policy pursued in the Community, will suffice to increase the propensity to invest and whether as a result the growth rate of demand will pick up in the latter part of 1962. Since it may have been possible by then to bring productive capacity more fully into line with such a trend of demand, economic expansion could well be more rapid in the second half of 1962. The task of short-term economic planning would seem to be to promote the necessary changes by pursuing appropriate policies on liquidity and interest rates, and thereby creating the conditions for an adequate expansion in investment, and eventually for a quickening in its pace: further, financial policy would have to be set on a course which would best ensure expansion.

Economic Policy

9. Notes on economic developments, prepared end of January 1962

COMMUNITY

		July	August	Sept.	Oct.	Nov.
Industrial production (°)	1960	121	122	122	123	123
1958 = 100	1961	128	128	128	129	.
Imports from non-member countries (°)	1960	1 647	1 475	1 521	1 599	1 647
cif in million dollars	1961	1 602	1 524	1 632	1 691	1 797
Exports to non-member countries (°)	1960	1 609	1 406	1 568	1 698	1 662
fob in million dollars	1961	1 697	1 611	1 740	1 794	1 783
Trade balance (°)	1960	- 38	- 69	+ 47	+ 99	+ 15
in million dollars	1961	+ 95	+ 87	+ 108	+ 103	- 14
Trade between member countries (°) (°)	1960	858	763	875	926	882
in million dollars	1961	991	915	971	1 042	1 036
Gold and foreign exchange reserves (°) (°) in million dollars	1960	13 525	13 890	14 276	14 672	14 680
	1961	16 220	15 838	15 897	15 760	15 839

(°) Index of the Statistical Office of the European Communities, adjusted for seasonal and random variations.

(°) The German mark and the guilder were revalued by 5 % at the beginning of March 1961.

(°) Calculated on the basis of imports.

(°) Amount held by the monetary authorities at end of month.

In October and November the Community's industrial production again slowly expanded. In some Member States and in some branches of industry the growth of production was still hampered by a shortage of labour. A certain slackening in the expansion of demand also played a part; however, this situation has now been reversed in some branches of industry which had suffered from a decline in demand during the summer months. The recovery is particularly noticeable in the automobile industry. Production in the iron and steel industries on the other hand has again declined.

The growth of trade between the member countries was once again less vigorous than at the beginning of the year. This is probably explained by a lack of reserve production capacity and a slower expansion of demand. Imports from non-member countries have increased more sharply than in the preceding months; this is especially true of agricultural produce because of the generally moderate harvests. Since, with the exception of Italy, the growth of exports tended to be somewhat weaker during the same period, there has been a marked deterioration in the trade balance with non-member countries.

Nevertheless, the official gold and foreign exchange reserves increased slightly in November as a result of a higher net income from capital transactions and services.

FEDERAL REPUBLIC OF GERMANY

		August	Sept.	Oct.	Nov.	Dec.
Industrial production (°)	1960	122	122	123	125	126
1958 = 100	1961	128	128	128	128	.
Number of unemployed	1960	113.1	111.6	127.7	136.4	271.6
in thousands	1961	98.4	94.9	98.6	113.1	225.5
Orders received	1960	141	149	151	154	142
1958 = 100	1961	132	141	149	150	.
Retail sales	1960	103	106	121	125	177
1958 = 100	1961	117	116	132	142	189
Consumer prices	1960	102.3	102.2	102.4	103.0	103.1
1958 = 100	1961	105.5	105.3	105.4	106.0	106.3
Imports cif (°)	1960	801	805	899	876	1 001
in million dollars	1961	870	921	1 002	960	1 020
Exports fob (°)	1960	850	926	998	1 013	1 201
in million dollars	1961	1 019	1 079	1 093	1 064	1 182
Gold and foreign exchange reser-	1960	6 054	6 338	6 574	6 599	6 737
ves (°) (°) in million dollars	1961	6 423	6 437	6 198	6 170	6 526

(°) Index of the Statistical Office of the European Communities, adjusted for seasonal and random variations.

(°) On 6 March 1961 the German mark was revalued by 5 % (1 dollar = 4 DM).

(°) Held by Deutsche Bundesbank at end of month.

During the last two months of 1961 the moderate expansion continued, but the picture was more varied than before.

Although orders from abroad have recently been rising again the growth of exports was very slow. On the other hand investment activity seems once again to have been considerable. The growth rate of private consumption has distinctly increased.

According to the German index of industrial production, output during the period under review was a clear 3 % higher than a year earlier; in September-October the corresponding figure had been 4 %. Despite seasonal increases since October only 1.1 % of the labour force was unemployed at the end of the year (at the end of 1960 the figure was 1.3 %). The year-to-year growth rate of imports dropped from almost 13 % in September-October to 5.5 % in November-December.

Building prices showed a further rise : in November they were 9.3 % higher than in November 1960. Whilst producer prices in industry remained almost stable, consumer prices rose again by nearly 1 % between October and December and were a clear 3 % higher than a year earlier. At 265 million dollars, the surplus on trade during the last two months was 25 % less than in the same period of 1960. After the drop in October and November the official gold and foreign exchange reserves mounted considerably in December (by \$356 million) because the banks temporarily repatriated large short-term investments.

FRANCE

		August	Sept.	Oct.	Nov.	Dec.
Industrial production (°)	1960	114	115	115	116	116
	1958 = 100	1961	120	121	122	124
Number of persons seeking employment (°) in thousands	1960	128	127	125	128	125
	1961	111	110	110	108	.
Turnover of Paris dept. stores	1960	89	146	156	146	233
	1961	100	147	173	.	.

(°) Index of the Statistical Office of the European Communities, adjusted for seasonal and random variations.

(°) End of month figures seasonally adjusted.

		August	Sept.	Oct.	Nov.	Déc.
Consumer prices (Paris) 1958 = 100	1960	110.9	111.1	111.3	111.6	111.9
	1961	112.9	113.5	114.7	115.9	116.3
Imports cif in million dollars	1960	449	499	473	531	616
	1961	466	505	544	590	644
Exports fob in million dollars	1960	429	550	621	594	612
	1961	505	583	631	644	662
Trade balance (excl. franc area) in million dollars	1960	- 46.0	- 10.1	+ 60.6	0	+ 52.5
	1961	+ 14.4	+ 36.3	+ 39.1	+ 7.7	- 12.2
Gold and foreign exchange reserves (°) in million dollars	1960	2 098	2 110	2 136	2 068	2 070
	1961	2 811	2 816	2 829	2 886	2 939

(°) Amount held by the monetary authorities at end of month.

The last two months of 1961 were marked by a slight quickening of economic expansion, whilst at the same time certain signs of strain became more noticeable.

It appears that less stimulus was provided by demand from abroad, but investments again showed a distinct upward turn, indicated by the further expansion of private investment programmes in industry. In farming, too, there appears to be a growing tendency to invest. Expenditure on private consumption also rose appreciably, demand for motor cars and other consumer durables having become much more lively.

The index of industrial production, adjusted for seasonal variations, shows a slightly increased rate of growth in November. Despite more immigration, coupled with a reduction in the numbers seeking employment, the demand for labour was not entirely met. Since autumn the number of vacancies has risen sharply. There is a decided rise in imports — especially of manufactured goods, but recently also of raw materials.

Prices have continued to climb, not only in foodstuffs, but also in finished industrial goods. The general consumer price level in December was 4 % above that of a year before.

Despite a rather unfavourable turn in the balance of trade, further transfers to the International Monetary Fund and debt repayments, the official gold and foreign exchange reserves continued to rise. At the end of 1961 they were 869 million dollars above those held at the end of 1960.

ITALY

		July	August	Sept.	Oct.	Nov.
Industrial production (°)	1960	133	133	132	132	132
1958 = 100	1961	143	144	145	147	149
Number of unemployed	1960	1 418	1 389	1 404	1 413	1 472
in thousands	1961	1 283	1 260	1 296	1 319	.
Internal trade turnover of main in-	1960	159	149	111	157	136
vestment goods (°) 1958 = 100	1961	198	156	139	186	.
Cost of living	1960	102.6	102.5	102.4	102.4	102.9
1958 = 100	1961	105.1	105.3	105.6	105.8	106.6
Imports cif	1960	432	345	386	416	407
in million dollars	1961	432	396	427	424	(460)
Exports fob	1960	312	288	307	332	294
in million dollars	1961	376	342	348	413	(393)
Gold and foreign exchange reser-	1960	2 992	3 097	3 083	3 065	3 057
ves (°) in million dollars	1961	3 232	3 364	3 369	3 393	3 414
Yield of Government securities	1960	5.16	5.11	5.15	5.30	5.32(°)
in %	1961	4.99	4.97	5.00	4.98	4.91(°)

(°) Index of the Statistical Office of the European Communities, adjusted for seasonal and random variations.

(°) Machinery, apparatus and electrical equipment, calculated on the basis of revenue from turnover tax.

(°) Amount held by the monetary authorities.

(°) December 1960 and 1961 : 5.3 and 4.93 respectively.

In the autumn months external demand and private consumption continued to be the main factors in the very lively business situation.

Exports gained further momentum, their year-to-year growth rate rising from 13.3 % in September to 24.4 % in October and 33.9 % (provisional) in November. While the growth rate of fixed investment shows little sign of any further slackening, private consumption appears to have again risen sharply, owing in large part to wage increases. In September and October the number of new motor cars registered was no less than 36 % above the figure of a year previously.

After the summer holiday period industrial production expanded considerably; in contrast to the corresponding period a year earlier, this was true of all major sectors. In October the level of the previous October was exceeded by fully 12 %, and a similar rate of increase is to be expected for November. Whilst production of motor cars expanded particularly vigorously owing to the strong demand at home and abroad, the year-to-year growth rate of steel production dropped to 9.7 % in November and to 8.2 % in December. In October-November the

rate of expansion of imports continued to diminish; since the middle of 1961 it has been substantially below that of exports.

The cost of living continued to mount, largely owing to rising prices for food-stuffs and services. To counteract the shortage of available credit noted for several months, the minimum reserve ratio of banks was reduced from 25 to 22.5 % on 31 January 1962.

NETHERLANDS

		August	Sept.	Oct.	Nov.	Dec.
Industrial production (°)	1960	129	130	132	132	132
1958 = 100	1961	127	127	128	.	.
Number of unemployed	1960	35	32	33	37	54
in thousands	1961	28	27	28	32	45
Number of house-building permits	1960	6 802	8 070	10 015	7 707	7 664
	1961	10 597	9 078	9 016	5 953	4 487
Private consumption	1960	110	111	119	117	128
1958 = 100	1961	115	117	122	.	.
Consumer prices	1960	103	105	104	103	103
1958 = 100	1961	105	106	106	106	.
Imports cif (°)	1960	339	385	405	389	407
in million dollars	1961	396	427	401	475	454
Exports fob (°)	1960	306	366	369	361	359
in million dollars	1961	339	406	368	398	362
Gold and foreign exchange reserves (°) (°) in million dollars	1960	1 453	1 549	1 616	1 617	1 742
	1961	1 710	1 723	1 730	1 730	1 740

(°) Index of the Statistical Office of the European Communities, adjusted for seasonal and random variations.

(°) On 6 March 1961 the guilder was revalued by 5 % (\$ 1 = fl. 3.62).

(°) Held by the Nederlandsche Bank N. V. at end of month.

Modest expansion, still hampered by a shortage of reserve production capacity, continued during the closing months of 1961.

In November, exports exceeded the level of a year earlier by 10 %, but in December they were only slightly up. This means that after several months of speedier expansion, the growth of exports has slackened off since October. Investment seems however to have continued its distinct upward trend, although the government's restrictive measures are now having a marked effect on housing construction. The increase in private consumption has gathered momentum. There are several signs that the index of industrial production, which for a long time has failed to rise above the comparable figure for a year earlier, did so in

the last months of 1961. Imports, too, have expanded appreciably. In November they were 22.1 % and in December 11.5 % higher than a year before.

The pressure of demand on supply continued; in November the cost-of-living index rose again. The agreement between the Central Bank and the other banks to limit the extension of credit has been prolonged for another four months and is to run until the end of April 1962.

BELGIUM

		August	Sept.	Oct.	Nov.	Dec.
Industrial production (°)	1960	112	112	113	113	114
1958 = 100	1961	121	121	122	.	.
Number of employed	1960	92	90	94	105	115
in thousands	1961	70	69	69	76	85
Number of non-residential buildings started	1960	541	492	478	427	403
	1961	622	578	485	409	.
Turnover of department stores	1960	105	112	121	129	137
1958 = 100	1961	103	110	117	.	.
Consumer prices	1960	101.2	101.3	101.7	101.9	101.9
1958 = 100	1961	103.1	102.9	102.8	102.9	.
Imports cif	1960	308	330	337	338	324
in million dollars	1961	319	331	371	356	.
Exports fob	1960	262	296	329	315	316
in million dollars	1961	284	348	356	347	319
Gold and foreign exchange reserves (°)	1960	1 188	1 220	1 281	1 339	1 423
in million dollars	1961	1 530	1 552	1 610	1 639	1 657

(°) Index of the Statistical Office of the European Communities, adjusted for seasonal and random variations.

(°) Held by the Banque Nationale de Belgique at end of month.

There is a growing impression that economic expansion is slowing down.

In November and December exports were only 5.5 % above the level of a year earlier — whereas in September the growth rate had been 17.6 % and in October 8.2 %. Investment, too, seems to be less expansionary than a few months ago. The number of non-residential buildings started was in October only slightly above the comparable 1960 figure and even below it in November. Private consumption again failed to provide any noteworthy stimulus to the economy.

The slower growth of demand has probably led to some fall in the expansion of industrial output. The year-to-year growth rate of imports, on the other hand, rose to 10 % in October, but fell back to 5 % in November.

In the last months of the year prices remained virtually stable. Largely because of the favourable foreign exchange situation, bank rate was reduced by 0.25 % on 28 December, and again on 18 January, to 4.25 %. A reform of the minimum reserve system, which came into effect on 2 January, is also intended to reduce the level of interest and to improve the weapons available to the monetary authorities.

GRAND DUCHY OF LUXEMBOURG

		August	Sept.	Oct.	Nov.	Dec.
Industrial production (1)	1960	114	115	115	115	115
1958 = 100	1961	118	118	118	118	.
Output of crude steel	1960	329	353	348	336	338
in thousand tons	1961	346	352	353	317	309
Building activities (2)	1960	98	93	92	80	65
1958 = 100	1961	112	105	101	86	.
Workers employed in industry	1960	46.5	46.7	46.6	46.6	45.8
in thousands	1961	47.1	47.2	47.3	47.0	46.3
Consumer prices (3)	1960	100.8	101.6	101.4	101.5	101.6
1958 = 100	1961	101.9	101.8	101.6	101.7	102.0

(1) Index of the Statistical Office of the European Communities, adjusted for seasonal and random variations.

(2) Calculated on the number of man-hours worked.

(3) January 1961 = 101.5; January 1962 = 102.3.

The slow-down in the already weak economic growth continued during the closing months of 1961, largely owing to a decline in the demand for steel.

Foreign orders on hand in the iron and steel industry were considerably lower than a year ago. However, iron and steel exports were still just higher than a year earlier. On the other hand the November and December output of crude steel remained below the level for the corresponding months in 1960, because the Luxembourg (and the Belgian) producers decided to limit it to 85 % of output capacity. According to the index of industrial production the year-to-year growth rate for all branches was only 2 % in October and fell to approximately 0.5 % in November. On the other hand, once seasonal influences are allowed for, the building industry continued in October and November to show lively activity, largely in the form of public works.

Consumer prices continue to rise slightly, with foodstuffs, domestic coal and services in particular becoming dearer. As was to be expected, iron and steel prices were weak.

Committee of experts on economic trends

10. The Committee of experts on economic trends met on 8 December 1961 to make their quarterly survey of the economic situation of the Community and of future prospects.

In addition to the customary review of the economic situation in each Member State, the Committee made a forecast of the effects of economic trends in the leading non-member countries on the general prospects for 1962.

The experts and the Commission's staff found themselves in agreement on their retrospective analysis of the business trend and in the view that economic activity in the Community as a whole will continue to expand in the first half of 1962 but at a slower pace.

Abolition of restrictions on the movement of capital (Article 67)

11. The Commission has forwarded to the Council a communication concerning the issue of shares of foreign companies on capital markets of the Member States under the first directive pursuant to Article 67 of the Treaty. The Commission has asked that this question be placed on the agenda of a coming Council session.

This communication reproduces the substance of the letters which M. Marjolin, Vice-President of the Commission, sent to the Governments of the Member States on 26 September 1961. In these letters and in the communication referred to, the Commission associated itself with the suggestions made by the Monetary Committee and expressed the hope that the authorities of the Member States would adopt a liberal attitude if companies in other EEC countries were proposing to make issues on their capital markets.

Energy problems

Meeting of the ad hoc Working Party of the Inter-Executive Working Party on Energy

12. The ad hoc Working Party met on 12 December 1961 in Luxembourg to examine and discuss a report entitled "La situation énergétique de la Commu-

nauté et les perspectives concernant l'approvisionnement en énergie et la consommation d'énergie de la Communauté en 1962" (The energy situation of the Community and the outlook for the supply and consumption of energy in the Community in 1962).

It is expected that in 1962, concurrently with a 5.6 % increase in industrial production, the consumption of primary energy will go up 3.6 %, rising from 493.3 million to 511.1 million tons coal equivalent. Whereas a slight fall-off in coal consumption is expected in 1962 (4.3 million tons less than in 1961), there is likely to be a further considerable increase in oil consumption (19.5 million tons coal equivalent). The rise in the consumption of natural gas (1.6 million tons coal equivalent) is also considerable in percentage (+ 11 %), but it is still only a very small part of total consumption in absolute figures. For hydraulic energy also an increase of 1 million tons coal equivalent may be expected, given normal hydraulic conditions. It is estimated that the consumption of lignite will not exceed the 1961 level.

The representatives of ECSC, EEC and Euratom agreed that the document studied should be submitted with slight amendments to the Joint Committee on 20 December 1961 and to the Special Council of Ministers on 24 January 1962. It would serve as a basis for a discussion in the Council of Ministers on the energy position in the Common Market and on the special situation of the various Member States.

INTERNAL MARKET

Customs legislation

13. The Commission has sent to the Member States a recommendation concerning the customs treatment applicable to goods re-imported after temporary export, either to a non-member country or to another member country, for processing, working or repair.

The Commission proposes a first approximation of the customs systems for processing traffic ⁽¹⁾ which is confined to the customs treatment applicable to goods re-imported into a Member State after processing abroad (outward processing traffic) ⁽²⁾.

⁽¹⁾ See Bulletin No. 2/61, Chap. II.

⁽²⁾ The relevant texts were published in the official gazette of the Communities on 17 January 1962.

Two systems are advocated: The first applies to outward processing traffic between EEC Member States and non-member countries and is envisaged essentially from the angle of the final stage of integration. It is based on the strict application of the duties laid down in the common customs tariff — or in those of the “external” national tariffs during the transition period — taking into account that the “Community” element in the re-imported goods is not to be taxed.

The second applies to the much more numerous operations which affect the mutual relations of two or more Member States. In this case the tariff problem will be settled at the end of the transition period. Meanwhile it has appeared necessary to recommend a uniform system which should respect as far as possible the rules in force in the six countries and involve no risk of disturbing existing flows of trade, but, on the contrary, favour their expansion.

The scope of this body of rules will be discussed more fully in a future Bulletin.

14. The Commission has taken a further decision in conformity with Article 10 fixing a percentage of duties under the common external tariff for determining the rate of levy applicable to goods in whose manufacture products from non-member countries have been used which are not subject to customs duties or charges of equivalent effect or which have benefited by total or partial drawback of these duties or charges.

A rate of 35 % was calculated; this takes into account the reductions in duties applied between the Member States with effect from 1 January 1962.

15. Finally, the Commission has submitted to the Council a draft decision concerning lump sum charges applicable to goods sent in small quantities to individuals or contained in travellers' luggage. The system for imports of a strictly non-commercial nature by private persons will be dealt with more generally in texts now being prepared by the Commission's staff.

Tariff quotas

16. As briefly mentioned in the last Bulletin the Council decided, on a proposal of the Commission, to suspend in 1962 wholly or in part the duties in the common customs tariff on a number of products in respect of which tariff quotas had been requested, meeting those requests by an arrangement fairer to the Community as a whole.

The products on which duties were suspended are the following :

<i>No. in the customs tariff</i>	<i>Description of product</i>	<i>Reduced rates</i>	<i>CET</i>
15.04 C I	Whale oil	exemption	2 %
ex 29.13 C	Oxidopregnenolone	exemption	18 %
ex 29.14 A II c 5	Pregnenolone acetate	exemption	17 %
ex 29.35 O	4 - amino - 5 - (metoxymethyl) - 2 - propyl - pyrimidine	3 %	16 %
ex 29.35 O	3.5 - dioxy - 1.2 - diphenyl - 4 - butyl - pyrazolidine	6 %	16 %
ex 29.38 B I	Vitamin B ₆	4 %	9 %
ex 29.41 A	Acetyl digitoxin	2 %	12 %
ex 29.41 A	Lanatoside C	2 %	12 %
ex 29.41 A	Lanatoside A + B + C	2 %	12 %
ex 29.41 A	Digitoxin	2 %	12 %
ex 29.41 D	Pure glucoside of squill	2 %	14 %
ex 29.41 D	Calcium salt of sennoside A + B	2 %	14 %
ex 29.42 C VIII	Natural alkaloids of ergot of rye	exemption	13 %
ex 29.42 C VIII	Dihydroergotamine and its salts	exemption	13 %
70.19 A I a	Glass beads, cut or polished mechanically	exemption	14 %
70.19 A III a	Imitation precious stones cut and polished mechanically	exemption	12 %

Output of all the above products in the Community is nil or insignificant.

17. The Commission has also decided to grant the Member States several tariff quotas requested either under certain protocols annexed to the agreement on List G products or under Article 25 (2) of the Treaty.

These quotas apply to the following products and quantities :

a) *Quotas granted under List G protocols :*

<i>No. in Brussels Nomenclature</i>	<i>Description of product</i>	<i>Country</i>	<i>Quantity</i>	<i>Duty</i>	<i>Period</i>	<i>CET</i>
25.01 A 1	Salt for chemical processing	B.L.E.U.	160 000 t.	nil	1 year	1 u.a. per 1 000 kg.
45.02	Natural cork in blocks, plates, sheets or strips	Fed. Rep. Germany	180 t. blocks, plates, sheets and strips	nil	1 year	12 %
			20 t. cubes and square slabs for manufacture of corks or stoppers	3 %	1 year	12 %
		B.L.E.U. Netherlands	60 t.	nil	1 year	12 %
			100 t.	nil	1 year	12 %

<i>No. in Brussels Nomenclature</i>	<i>Description of product</i>	<i>Country</i>	<i>Quantity</i>	<i>Duty</i>	<i>Period</i>	<i>CET</i>
50.04	Silk yarn, pure	} Fed. Rep. Germany	140 t.	nil	1 year	12% provisionally reduced to 7%
50.05	Yarn spun from silk waste other than noil, pure		250 t.	nil	1 year	
73.02	Ferro-alloys	Fed. Rep. Germany	Ferro-silico-manganese 42 000 t.	nil	1 year	5% 6%
		Italy	Ferro-chromium containing less than 0.1% of carbon by weight 10 500 t.	nil	1 year	8%
		Netherlands	Ferro-manganese other than carburized 250 t.	nil	1 year	8%
			Ferro-silicon 3 500 t.	nil	1 year	10%
			Ferro-silico-manganese 600 t.	nil	1 year	6%
			Ferro-chromium 160 t.	nil	1 year	8%
			Ferro-tungsten 5 t.	nil	1 year	7%
			Ferro-molybdenum 27 t.	nil	1 year	7%
			Ferro-vanadium 9 t.	nil	1 year	7%
		B.L.E.U.	Ferro-silicon 21 000 t.	nil	1 year	10%
			Ferro-chromium 2 100 t.	nil	1 year	8%
			Ferro-molybdenum 340 t.	nil	1 year	7%
		Luxembourg	Ferro-manganese other than carburized 30 t.	nil	1 year	8%
			Ferro-silico-manganese 70 t.	nil	1 year	6%
			Ferro-tungsten 25 t.	nil	1 year	7%
			Ferro-vanadium 5 t.	nil	1 year	7%
ex 76.01 A	Unwrought aluminium non-alloyed	Fed. Rep. Germany	95 000 t.	5%	1 year	10%
76.01 BI	Aluminium waste and scrap	Fed. Rep. Germany	26 000 t.	nil	1 year	5%

<i>No. in Brussels Nomenclature</i>	<i>Description of product</i>	<i>Country</i>	<i>Quantity</i>	<i>Duty</i>	<i>Period</i>	<i>CET</i>
77.01 A	Unwrought magnesium	Netherlands	600 t.	nil	1 year	5%
		B.L.E.U.	120 t.	nil	1 year	5%
		Fed. Rep. Germany	28 000 t.	nil	1 year	10%
		Netherlands	160 t.	nil	1 year	10%
78.01 A	Unwrought lead	B.L.E.U.	300 t.	nil	1 year	10%
		Fed. Rep. Germany	27 000 t.	nil	first six months	1.32 u.a. per 100 kg.
		Netherlands	19 950 t.	nil	first six months	1.32 u.a. per 100 kg.
79.01 A	Zinc spelter	B.L.E.U.	5 000 t.	nil	first six months	1.32 u.a. per 100 kg.
		Fed. Rep. Germany	37 000 t.	nil	first six months	1.32 u.a. per 100 kg.
		Netherlands	4 800 t.	nil	first six months	1.32 u.a. per 100 kg.

b) Annual quota granted under Article 25 (2)

<i>No. in Brussels Nomenclature</i>	<i>Description of product</i>	<i>Country</i>	<i>Quantity</i>	<i>Duty</i>	<i>Period</i>	<i>CET</i>
29.16 A III a	Calcium tartrate	Fed. Rep. Germany	2 200 t.	nil	1 year	9%
ex 29.16 A VII a	Deoxycholic acid	Netherlands	15 t.	nil	1 year	13%

The Commission's decisions concerning the products listed above cover practically all the applications submitted for quotas under the List G protocols.

Some applications under Article 25 (2) are still under consideration pending the results of consultations between Community producers and consumers.

The object of these consultations is to determine whether sources of supply in the Community are adequate or not, which is the first criterion laid down by Article 25 (2).

Right of establishment and services

18. At its session of 18 to 21 December 1961 the Council of Ministers formally approved the texts of the two programmes " Right of establishment and services " (1) in the four languages. These programmes have been published in the official gazette (2) and are therefore applicable.

The work of finalizing the implementing directives is in progress and will be discussed in a future number of the Bulletin.

COMPETITION

Rules applicable to enterprises

First Implementing Regulation pursuant to Articles 85 and 86

19. At the meeting of 19 December 1961 (and on 5 February 1962 as regards other-language texts which had not been approved on that date), the EEC Council of Ministers approved unanimously the first implementing Regulation pursuant to Articles 85 and 86 of the Treaty. The Regulation will enter into force twenty days after publication in the official gazette of the Communities.

In accordance with Article 87 of the Treaty, the Commission had submitted a draft (3) to the Council on 31 October 1960. On 8 December 1960 the Council wrote to the Economic and Social Committee and to the European Parliament requesting their opinions on this draft; the opinion of the Economic and Social Committee was submitted on 28 March 1961 (4) and that of the European Parliament on 19 October 1961 (5).

The main provisions of the Regulation are as follows :

a) It confirms that the prohibitions laid down in Articles 85 (1) and 86 are directly applicable to enterprises and associations of enterprises and that no prior decision to this effect is needed.

(1) See Bulletin No. 12/61, Chap. I.

(2) Of 15 January 1962, No. 2, fifth year.

(3) See Bulletin No. 10/60, Chap. III, sec. 19.

(4) See Bulletin No. 4/61, Chap. IV, sec. 20.

(5) See Bulletin No. 12/61, Chap. IV, sec. 23 and Chap. V, A.

b) So that any enterprise which is a party to an agreement, decision or concerted practice may ascertain its position with regard to the prohibitions set out in Articles 85 (1) and 86, the Regulation gives it the opportunity of applying to the Commission for a special declaration ("negative clearance"). Where appropriate, the Commission certifies in this declaration that to the best of its knowledge there are no grounds for action under Articles 85 (1) and 86.

c) The Commission may, either *ex officio* or at the request of a Member State or of a third party showing evidence of a justified interest, find that Article 85 or 86 of the Treaty has been infringed. It can order the enterprises concerned to put an end to the infringement. According to Article 189, such decisions are binding in every respect upon those to whom they are addressed, but under Article 173 there is a right of appeal to the Court of Justice (1).

d) The Commission must be notified when the parties to any restrictive cartel forbidden under Article 85 (1) of the Treaty wish to invoke Article 85 (3). For cartels already in existence when the Regulation came into force, notification must take place before 1 August 1962.

For the time being the following are not subject to compulsory notification: agreements, decisions and concerted practices in which enterprises of only one Member State take part, where such agreements, decisions and practices involve neither imports nor exports between Member States; bilateral agreements which have the sole effect of fixing resale prices or imposing restraints on the rights of any person acquiring or using of industrial property rights; cartels in which the sole object is the development or uniform application of standards and types or joint research in pursuit of technical improvements.

These agreements, decisions and practices may however be voluntarily brought to the attention of the Commission. Agreements, decisions and practices which existed before the entry into force of the Regulation are not subject to compulsory notification if the competent authority in a Member State has in the light of Article 85 (3) declared Article 85 (1) to be inapplicable.

Exemption from compulsory notification does not mean that such arrangements comply with the conditions laid down in Article 85 (1); the intention is mainly to give certain categories of cartels provisional exemption from a formality which precedes a decision under Article 85 (3). The Council may, on a proposal of the Commission, alter or limit the cases of exemption from compulsory notification.

(1) Proceedings against the decision can be instituted within two months after its publication by any natural or legal person to whom it has been addressed and by any other person who is directly and personally affected, even if the decision is not actually addressed to him.

e) The immediate consequence of failure to notify is that the provisions of Article 85 (1) cannot be declared inapplicable under Article 85 (3).

In the cases of "new" cartels (1) subject to compulsory notification but fulfilling the conditions laid down in Article 85 (3), the Commission's decision that Article 85 (3) is applicable cannot render Article 85 (1) inapplicable prior to the date of notification. On the other hand, for "new" and "old" cartels for which notification is optional, and for those old cartels not exempt from compulsory notification provided in each case notification has taken place within the stipulated time-limits, the Commission may under Article 85 (3) declare Article 85 (1) inapplicable; this declaration may have retroactive effect to the date on which the conditions for the application of Article 85 (3) were fulfilled.

f) The decision applying Article 85 (3) is valid for a specified period; certain conditions and stipulations may be attached to it; it may be revoked, and in certain cases may even be revoked with retroactive effect.

g) Where the competent authorities of a Member State have, before the entry into force of the Regulation, declared that Article 85 (3) is applicable, this decision shall have the same force as a decision by the Commission; its validity in time is however limited, and the Commission has sole competence to rule on applications for its renewal.

h) Transitional provisions have been laid down for cartels already in existence when the Regulation enters into force which do not meet the requirements of Article 85 (3) of the Treaty. Provided that these cartels are notified before 1 August 1962 and that the participating enterprises or associations of enterprises put an end to them or modify them so that they no longer fall under the prohibition laid down in Article 85 (1), or so that they then meet the requirements of Article 85 (3), the Commission can determine the period for which the prohibition laid down in Article 85 (1) is to apply. A decision by the Commission pursuant to the foregoing sentence cannot be invoked against enterprises or associations of enterprises which have not given their express assent to the notification.

These arrangements were desirable for several reasons: in the first place, old cartels had to be given the opportunity to adapt themselves to the requirements of Article 85 (3), and secondly, all enterprises had to be given an opportunity to apply to the Commission to claim benefit of Article 85 (3) for existing agreements.

i) Until the entry into force of the Regulation, the question of the distribution of power between the Commission and the competent authorities of the Member

(1) Any agreement, decision or practice of this type which comes into evidence after the entry into force of the Regulation.

States was governed by Articles 88 and 89 of the Treaty. The Member States were competent to issue a decision pursuant to Article 85 (3). In order to ensure uniform application of Articles 85 and 86 in the six Member States the Regulation now provides that from the date of entry into force of the Regulation the Commission shall have exclusive competence to make a declaration under Article 85 (3) and to give negative clearance.

Infringements of Article 85 (1) and of Article 86 may be established either by the appropriate authorities of the Member States or by the Commission; the competence of the national authorities ends however as soon as the Commission has initiated action to grant a negative clearance, to establish an infringement or to make a declaration under Article 85 (3).

j) The Regulation lays down detailed procedures for close and constant liaison between the Commission and the competent authorities of the Member States in dealing with cases referred to the Commission.

A point of major importance in the liaison between the Member States and the Commission is that before any major decision the Commission must obtain the views of a "Consultative Committee on Cartels and Monopolies", comprising one official from each Member State. The minutes of the discussion in this Committee are sent to the Commission, together with the Committee's proposal on the decision to be taken. The conclusion reached by the Committee is not published.

k) The Regulation sets out clearly the extent of the Commission's powers to call for information from enterprises and to check the information received. Where enterprises refuse to supply the information requested by decision of the Commission or to submit to the investigations so ordered, the Commission can impose fines and other penalties.

l) Apart from requests for information addressed individually to enterprises or associations of enterprises the Commission may, after consulting the above-mentioned Committee, carry out inquiries in an entire economic sector and require enterprises in this sector to supply any information it considers necessary for the implementation of Articles 85 and 86 and for the accomplishment of the tasks entrusted to it by the Treaty of Rome. Such inquiries into individual sectors of the economy can only be made where, on the basis of certain indications, the Commission has reason to suppose that competition in the sector concerned is being restricted or distorted within the Common Market. In this case the Commission can, among other things, require the enterprises concerned to notify it of all agreements, decisions and concerted practices which are not subject to compulsory notification. In the sector concerned it can also ask enterprises whose size suggests that they occupy a dominant position in the Common Market

to supply particulars relating to their structure and their methods of operation. This last provision is designed, as are other provisions in the Regulation (establishment of infringements, sanctions, powers of investigation), to enable action to be taken against abuse of a dominant position as well as against agreements, decisions and practices prohibited by Article 85 (3).

m) In the event of an infringement of the provisions of Article 85 (1) or Article 86, or of a stipulation attached to a declaration made under Article 85 (3), the Commission may impose fines on enterprises or associations of enterprises. In fixing the amount of the fine, the Commission will take into account the gravity of the infringement and its duration. The fine can reach a sum of 1 million units of account ⁽¹⁾, and this figure may be increased to 10 % of the turnover of the preceding business year of each of the enterprises party to the infringement.

All decisions by which the Commission fixes a fine or other pecuniary penalty are open to review by the Court of Justice, which may annul the fine or penalty or vary its amount.

n) The Regulation also establishes the right of enterprises and associations of enterprises to be heard by the Commission before it takes any decision concerning them, thus giving them an opportunity to express their views on the complaints against them.

Moreover, in order to enable the Commission and the competent authorities of the Member States to be as fully informed as possible, provision is made that any natural or legal persons or associations of persons who can show that they have a sufficient interest must be heard if they make a request to this effect.

o) When the Commission intends to grant negative clearance or to declare the provisions of Article 85 (1) inapplicable by virtue of Article 85 (3), it must publish the substance of the relevant application or notification, inviting interested third parties to submit to it their comments within a time-limit which may not be less than one month.

The Commission is also required to publish the decisions by which it grants negative clearance, orders that an infringement of Articles 85 or 86 be terminated, declares the provisions of Article 85 (1) inapplicable by virtue of Article 85 (3) or cancels or modifies such a decision. It must also publish the decisions by

⁽¹⁾ Article 18 of the financial Regulation concerning the establishment and the execution of the EEC budget, approved on 15 November 1960, (official gazette of the European Communities, No. 83, 29 December 1960, p. 1943/60) fixes the value of the unit of account at 0.88867088 grm. of fine gold, which is at present equivalent to DM 4, Bfrs. 50, NF 4.93706, lire 625 or guilders 3.62.

which it grants the benefits of the transitional system in respect of agreements, decisions or practices existing at the time when the Regulation came into force.

On the occasion of the publication of applications, declarations or decisions, the Commission must therefore bear in mind the legitimate interest of the enterprises that their business secrets should not be divulged.

p) Furthermore the Regulation ensures that professional secrets shall be respected. Information obtained may not be used for any purpose other than that for which it was requested or for which the investigation was carried out. The Commission and the competent authorities of the Member States are required to abstain from disclosing matters which by their nature are professional secrets.

q) Finally, the Commission is empowered to lay down implementing provisions pursuant to the Regulation, concerning the form, content and other details of applications, notifications or objections, as well as those for the hearings provided for in the Regulation.

Approximation of legislation

Industrial property

20. The Under-Secretaries of State responsible in the six Community countries for questions relating to industrial property met in Brussels on 11 December 1961 under the chairmanship of M. von der Groeben, a member of the Commission.

They unanimously approved the report from the Co-ordinating Committee on industrial property rights concerning the basic problems involved in the drafting of a European convention on trade-marks and on the general principles which should govern this convention. In accordance with the fresh instructions now given them, the Working Party on trade-marks will start work early in 1962 on a preliminary draft convention.

The Under-Secretaries of State also examined the fundamental problems requiring solution before the three conventions planned in the field of industrial property (patents, trade marks, and designs and models) could be worked out and put into effect.

The matters at issue are as follows :

a) A European legal body will have to ensure uniform interpretation of the conventions. It appears highly desirable that the Court of Justice of the European Communities should be this joint legal body. The question of adapting the EEC, Euratom and ECSC Treaties is to be examined.

b) The question arises as to what is the best procedure to be adopted for accession to the conventions by non-member states; their right to do so has already been accepted in principle by the six Governments;

c) The Under-Secretaries of State examined the relationship between the various bodies of legislation on industrial property and the Community's general policy on competition. It was decided that this problem would be fully discussed at a later meeting.

The chairman of the Co-ordinating Committee and the chairman of the Working Parties on patents and on designs and models reported to the Under-Secretaries on the progress made in their particular fields.

Fiscal problems

H a r m o n i z a t i o n o f d i r e c t t a x e s

21. The first meetings of the two Working Parties set up at the meeting of the heads of the tax administrations on 5 October 1961 ⁽¹⁾ were held on 12 and 13 December 1961. The first working party has the task of studying the basis of assessment of direct taxes in the member countries — particularly the problems of amortization, of stocks, of operating deficits and of appreciation of assets. It settled its programme of work, which provides first of all for an examination of the rules applicable to amortization and to appreciation of assets. The second working party is to examine the fiscal problems stemming from the investments made in the Common Market by non-member countries; it has decided to begin by assembling all useful information on this subject.

H a r m o n i z a t i o n o f t u r n o v e r t a x e s

22. The three Study Groups (A, B and C) of Working Party No. 1 ⁽²⁾, which are studying the various systems in connection with the harmonization of turnover taxes, met from 26 to 31 October and from 4 to 7 December 1961.

The reports of each of these Study Groups have been put into final form and are shortly to be submitted to the Working Party.

To make the combined report more complete, it was decided that there should be a chapter dealing with the problems which will be raised by the transition from one of the present taxation systems to one of those contemplated by Study Groups B and C.

⁽¹⁾ See Bulletins No. 12/61, Chap. IV, sec. 25 and 1/62, Chap. VIII, sec. 25.

⁽²⁾ See Bulletin No. 4/60, Chap. II, sec. 44.

The combined report will also include a comparative table of the main elements in the various tax systems which it is intended to harmonize.

A further meeting will begin on 15 January 1962. At this meeting the finishing touches will be put to the work of the Study Groups and the combined report will be submitted to Working Party No. 1.

Common method of calculating countervailing charges on imports and drawback on exports

23. The government experts in Working Party No. 2 met on 8 December 1961 to consider and finalize the technical side of a draft directive of the EEC Council concerning a method to be used by Community countries in calculating countervailing charges on imports and drawback on exports. Prepared by the Commission's staff on lines approved at an earlier meeting with the same experts ⁽¹⁾, this draft will be tabled later at a full session of the directors of the tax administrations in the member countries.

Adjustments of countervailing charges on imports and drawback on exports proposed by Belgium and the Netherlands

24. When, at a meeting on 20 September 1961 ⁽²⁾, the new Belgian and Netherlands measures dealing with countervailing charges on imports and drawback on exports were examined, certain differences of opinion emerged. These concerned the interpretation of the decision taken by the Representatives of the Member States meeting in the Council on 21 June 1960. Agreement on this question is expected at a forthcoming meeting of the heads of tax departments.

Article 95 (third paragraph) and the Member States

25. At a meeting on 8 December the experts of Working Party No. 3 discussed the obligations incumbent on Member States under the third paragraph of Article 95 of the Treaty, which stipulates that the Member States must, not later than at the beginning of the second stage, abolish or amend any provisions which impose on the products of other Member States any internal charge in excess of those applied to like domestic products, or any internal charge which affords indirect protection.

⁽¹⁾ See Bulletin No. 4/61, Chap. IV, sec. 18.

⁽²⁾ See Bulletin No. 11/61, Chap. IV, sec. 32.

State aids

26. The Commission's staff has asked the Member States to submit the information needed for the preparation of a first inventory of State aids accorded through the working of the system of indirect taxes. For the time being this inventory is confined to the exemptions from turnover tax granted to certain products, groups of products or enterprises.

27. The Working Party examining the general systems used to support economic development in the Member States continued its work at two meetings on 15 and 16 November and on 13 and 14 December. At these meetings, the experts examined the aids granted by Member States in the form of interest rebates and credit guarantees. The second meeting was devoted to forms of aid granted through the system of direct taxation (tax exemption).

In four meetings the Working Party has thus completed the first stage of its examination of the general aids on the inventory. The supplementary information supplied by the government experts will have enabled the Commission to make valuable additions to the documentary material collected on the basis of the inventory. In this way it will be possible to obtain enough information to form a judgement on the aid measures in force and on the conditions in which they will be examined by the Working Party.

The Commission has requested the Italian Government to inform it in good time of the substance of any action to be taken under a law concerning certain measures for the economic development of Southern Italy [the Commission had been duly informed of this law under Article 93 (3) of the Treaty].

Aids to shipbuilding

28. By a decision of March 1960, the Commission authorized the Italian Government to maintain until 1964 the aids of gradually diminishing value now being given to shipbuilding as part of a programme which is essential if the Italian shipyards are to be placed on a sound footing. In accordance with this decision, the Italian Government has submitted to the Commission its plan for the reorganization of shipbuilding, and has supplied information on trends in this sector during the first period covered by the Commission's decision.

The Italian Government has also given an assurance that there will be no discrimination over the bonus granted to ship-owners when a ship is broken up, whatever the nationality of the shipyard to which the replacement order goes.

A plan for the granting of credit on special terms for the export of ships has also been referred to the Commission by the Government of the Federal Republic of Germany. This plan will be discussed at a forthcoming multilateral meeting. The French system of aids to shipbuilding will also be considered at this meeting.

Italian aid to the cinematographic industry

29. The Italian Government has informed the Commission of its intention to extend until 30 June 1962 its present system of aid to the cinematographic industry, since this additional period had proved necessary for the final drafting of a law that would bring the system into line with the requirements of the Treaty. Regretting that it had not proved possible to establish the new system on 1 January 1962, the Commission has asked the Italian Government to forward the draft in question as soon as possible, so that it can be given a thorough examination.

Aids to petroleum refining and to the production of synthetic rubber

30. The Commission has drawn up a questionnaire concerning aids to the petroleum refining industry. Member States' replies to this questionnaire will enable the Commission to form a judgement of the aid machinery in force in this field in the various Member States.

In agreement with all the Member States the Commission, now that it has completed its examination of aids to the synthetic rubber industry and that one Member State has abolished certain devices likely to fall under the prohibition of Articles 92 and the following articles, has found that there are no longer any State aids in this sector.

SOCIAL AFFAIRS

Implementation of Article 119

31. At the 60th session of the Council the representatives of the Governments of the Member States adopted a Resolution ⁽¹⁾ on equal pay for men and women workers, which the Governments agreed to introduce by stages according to the following time-table :

- a) Differences in pay of more than 15 % will be brought down to that figure by 30 June 1962;
- b) Differences of more than 10 % will be brought down to that figure by 30 June 1963;
- c) All discrimination will be abolished by 31 December 1964.

⁽¹⁾ See Bulletin No. 1/62, Chap. I.

European Social Fund

32. The Committee of the European Social Fund held its fourth annual session in Brussels on 15 December 1961 with M. Levi Sandri, President of the Social Affairs Group of the EEC Commission, in the chair.

Before resuming its work on the list of bodies under public law empowered to carry out re-training or resettlement schemes (in conformity with Article 18 of Regulation No. 9 on the European Social Fund) the Committee heard a statement by M. Steffe, Director in the Directorate General for Economic and Financial Affairs of the Commission on current economic problems.

The Committee will hold its next meeting on 8 February 1962.

Social security

Administrative Committee for the social security of migrant workers

33. The Administrative Committee of EEC for the social security of migrant workers held its 29th session on 19 and 20 December 1961. The Committee examined certain problems arising from improper use of a provision of Regulation No. 3, which maintains the social security legislation of the country of usual employment for workers temporarily detached to other countries, and studied means of combating these practices.

The Administrative Committee also began a study of questions arising in connection with the payment of old-age pensions and the review of certain pensions. This will be continued at a later session.

In order to make it easier for migrant workers to understand what their rights are in the matter of social security, the Administrative Committee of EEC for the social security of migrant workers has just published a first series of handbooks on health insurance in Germany, Belgium, France, Italy, Luxembourg and the Netherlands.

These handbooks provide workers with all the necessary information concerning their rights in the matter of health insurance and the procedure by which they may claim benefit in the various situations in which they may find themselves.

Frontier workers and seasonal workers

34. In conformity with Article 51 of the Treaty, the Commission has submitted to the Council two draft regulations on the social security of frontier and seasonal workers.

The aim of these regulations, which were published in a supplement to Bulletin No. 12/61, is to lay down the special provisions for frontier and seasonal workers called for by Article 4 (7) of Regulation No. 3 on the social security of migrant workers.

In its covering letter to the Council the Commission expressed the wish that the European Parliament and the Economic and Social Committee be consulted on these two drafts, although Article 51 of the Treaty does not make such consultation obligatory. The Commission considered this consultation advisable because of the importance of the new regulations from the social standpoint and of the great interest which the representatives of the trade organizations have always taken in these questions.

At its 60th session, the Council acted on the Commission's suggestion and referred the draft regulations to the European Parliament and the Economic and Social Committee with a request that they should render their opinions as soon as possible.

Industrial health services

35. In pursuance of Article 155 of the Treaty of Rome, the Commission has drafted a recommendation to the Governments of the Member States concerning medical services in industry. It has referred the draft to the Economic and Social Committee and to the appropriate Committees of the European Parliament for their opinion.

The aim of the recommendation is that the six member countries should give industrial health services an official status. The stages and time-limits for the introduction of industrial medical services are not specified, because conditions vary greatly in the member countries. In particular the availability of doctors for this special branch will depend on the numbers of medical students interested in the new openings offered when these services are established on an official basis.

One-day conference on migrant workers

36. The first of a series of informatory meetings which the Commission is holding with representatives of the Welfare Directorate for Italian workers in the Federal Republic of Germany, France and Benelux took place on 5 December in Cologne. The subject discussed was the application of Regulations Nos. 3 and 4 on the social security of migrant workers.

After explanations of EEC social policy as a whole and of the working of Regulations Nos. 3 and 4, the discussion turned to certain special problems of

migrant workers: the conditions under which the family may join the breadwinner, living accommodation, food, industrial accident insurance, retirement and surviving dependents' pensions and other questions coming within the purview of the EEC regulations on the social security of migrant workers.

Those participating evinced a lively interest in Regulation No. 15, which deals with the free movement of workers within the Community, and described certain situations peculiar to Italian workers in Germany. Other matters discussed included trade union representation within firms, equal terms and conditions of employment and the clauses in labour contracts which in many cases restrict the allocation of accommodation to the worker himself and thus prevent him having his family to live with him or housing them decently.

Free movement of workers

37. On 11 and 12 December 1961 the EEC Commission, acting in accordance with Articles 48 and 49 of the Treaty, set up the Consultative Committee and the Technical Committee provided for in Regulation No. 15 on the first measures to give effect to the free movement of workers within the Community (1). The two Committees are to be presided over by a member of the Commission, which has chosen M. Levi Sandri, President of its Social Affairs Group, for the task.

At the inaugural meeting of the Consultative Committee which was attended by observers from many European and other international organizations, M. Levi Sandri spoke of the importance of the occasion and of the tasks entrusted to the Consultative Committee. The Committee is set up under Article 28 of Regulation No. 15 and consists of representatives, in equal numbers, of the national administrations and employers' and workers' organizations from the six Community countries. Its task is to assist the Commission in applying the provisions of the EEC Treaty concerning the free movement of manpower within the Community.

At this meeting the Committee studied the general lines of the arrangements for the free movement of seasonal and frontier workers which the Commission is to propose to the Council within six months of the entry into force of Regulation No. 15.

At the inaugural meeting of the Technical Committee, members gave their opinion on certain problems already discussed by the Consultative Committee, in particular

(1) For the membership of these Committees see Annex. The appointments were made by the Council at its 53rd session (23 to 25 October 1961).

the measures to be taken for the free movement of seasonal and frontier workers and the drafting of directives with a view to the use by Member States of a common list of diseases and infirmities justifying refusal to admit a worker or his family from another Member State. Finally, the Committee approved, with certain amendments, its draft rules of procedure.

The Technical Committee consists of one representative of each member Government with an alternate, and its task is to assist the Commission in all technical matters pertaining to the implementation of Regulation No. 15.

AGRICULTURE

38. The important decisions taken by the Council for the implementation of the common agricultural policy are discussed in Chapter I of this Bulletin.

Countervailing charge on the import of bread and fondant paste into the Federal Republic of Germany

39. On 22 December the Commission authorized the Federal Republic of Germany to take safeguard measures in respect of the import of bread from other Member States and also to apply a countervailing charge on imports of fondant paste from these countries.

It will be recalled that on 27 July 1960 the Commission authorized Germany to levy a countervailing charge on imports from the Netherlands of bread manufactured mainly from wheat flour (the amount was then fixed at 6.25 hfl. per 100 kg. of bread). In view of the reduction of customs duties on 1 January, the countervailing charge was raised to 7.50 hfl. at the request of the Federal Republic.

On 7 December 1961 the Federal Republic asked the Commission for an increase in the countervailing charge with effect from 1 January 1962 to offset the 10 % reduction in customs duties which was to be made on that date.

In its decision the Commission considered that the difficulties which justified the application of Article 226 arose from the divergence between prices in Germany and those in the Netherlands and that these gaps still existed. The Commission's decision therefore authorizes the Federal Republic to levy a countervailing charge on bread from the Netherlands (including bread rolls — item ex 19.07) on entry, unless the exporting Member State applies this charge on exit.

This charge is fixed at 8.75 hfl. per 100 kg. of bread when it is levied by the exporting member country.

If this is not the case, the amount of the charge expressed in DM is increased by a sum equal to that which would result from the application to the said amount of the customs duties and taxes applicable to imports of the products in question.

The decision is valid until 28 February 1962.

As regards fondant paste the Commission also considered that as far as is known the gap between prices in Germany on the one hand, and the Netherlands, Belgium and France on the other, for the agricultural products used in the competing food industries still exists. As certain questions concerned with the amount of this divergence and the measures taken by the Federal Republic regarding imports from non-member countries call for more thorough examination in conjunction with the Member States concerned, the Commission considered that, as an urgent measure, its decision should meanwhile be maintained unchanged for a further period of two months.

The Commission's decision on the safeguard measures applicable to imports into the Federal Republic of Germany of bread and fondant paste from other Member States is thus maintained until 28 February 1962 as far as item ex 17.04 C : fondant paste is concerned.

TRANSPORT

The common transport policy

40. In December the Commission's memorandum on the general lines of a common transport policy was studied and discussed in working parties of the various institutions.

The Working Party on transport problems of the Committee of Permanent Representatives continued the study of the memorandum in the light of the opinions expressed by the delegations at the Council's session of 28 November 1961, which was specially devoted to transport problems.

The Working Party of the Transport Section of the Economic and Social Committee met on 30 November and 1 December to study the memorandum and to decide upon procedure for its further examination.

On 20 December the European Parliament held a full debate on transport policy within the Community, in the course of which M. Lambert Schaus, President of the Transport Group of the Commission, presented a summary of the

memorandum of the EEC Commission, he noted that they converged on most points (1).

Discussions have also continued with the trade circles concerned. There have been meetings with the Liaison Committee of road hauliers in EEC (set up within IRU) on 5 and 6 December; with the Union of Industries of the European Community (UNICE) on 12 and 13 December; and with the Committee of European Transport Users established within the International Chamber of Commerce on 14 December.

Transport Committee (Article 83 of the Treaty)

41. At its meeting of 19 and 20 December 1961, Working Party I of the Consultative Committee on Transport continued its studies on the widening of quotas in international road transport of goods for hire on reward. In particular it considered a proposal for a common quota for the six Member States to supersede the systems of bilateral quotas at present in force.

Working Party III (internal transport by non-resident carriers) which was instructed by the Committee to prepare an opinion on a working document of the Commission dealing with the application of Article 75 (1 b) of the Treaty (2) held its first meeting on 18 and 19 December.

International transport of goods by road

42. At its session of 18 to 21 December, the Council referred to the Economic and Social Committee and the European Parliament for their opinion the Commission's proposed directive for the establishment of certain common rules for international goods transport by road (3). This proposal was published as an annex in the supplement to Bulletin No. 12/61.

Abolition of discrimination

43. A joint meeting of the Commission's staff with representatives of the Member States of EEC and of the member countries of the Central Commission for the

(1) For a report of the debate and M. Schaus' remarks see Chap. "Institutions and Organs" - The Parliament.

(2) See Bulletin No. 1/62, Chap. VIII, sec. 34.

(3) See Bulletin No. 1/62, Chap. VIII, sec. 35.

Navigation of the Rhine was held on 1 December 1961 to devise ways and means of applying Regulation No. 11 on the abolition of discrimination in transport rates and conditions to traffic coming under the Mannheim Act.

The Governments of the Member States have also been invited to take the necessary measures, by 31 January 1962 at the latest, to implement the provisions of Articles 5, 14 and 16 of Regulation No. 11.

Infrastructure costs

44. The Working Party on railway infrastructure costs held its first meeting on 30 November and 1 December 1961 in Brussels, when it discussed certain problems arising in the first stage of the study of these costs.

The Working Party agreed on proposals defining the scope of the study and also specifying the constituent elements in infrastructure costs. These proposals will shortly be submitted to the competent sub-committee. It was also agreed to resume the study of questions concerning the inventory of existing installations at a coming meeting.

Transport costs

45. The sub-committee studying the effective burden on the various forms of transport, drawn from the Committee of government experts to assist the Commission in studying transport costs, met on 12 and 13 December. It examined methods of studying the competitive positions of modes of transport and transport firms from the angle of the effective burden upon them. A special aim will be to determine the effects of intervention by public authorities in the transport sphere.

The experts agreed to begin by examining competitive situations in international goods traffic by road. As a method of approach they preferred to study the cost of transport for specific journeys and under precise conditions. At its next meeting the sub-committee will draw up, on the basis of proposals to be submitted by the delegations, the list of routes to be studied.

Statistical studies

46. The Commission's staff have continued the statistical studies on the trend of intra-Community goods traffic by the three methods of inland transport and have brought up to date and amplified the statistics previously established.

These studies are to serve as a basis for work at present going on in the Committee set up under Article 83 of the Treaty.

European type vessels

47. In connection with the work on standardizing inland waterways equipment and limiting the number of types of vessels, the technical study of standardization problems has been entrusted to a Working Party on standards for inland waterway vessels composed of experts from the national Standards Institutes. The main purpose of this work is to standardize certain elements which will be incorporated in the final designs of the European type vessels at present under study.

The Working Party is drawing up a programme which takes into account earlier studies both by the International Organization for Standardization and by the European Committee for Standardization. The Working Party expects to submit initial results in the spring of 1962.

Work is continuing, on the basis of the proposals submitted by the national delegations, to finalize the plans for the 1 350-ton European type vessel and the "Mississippi" barge of 70 by 9.5 metres.

Finally, the Commission has complied with the wish of the Committee of experts on "rationalization and standardization in European inland navigation" that an enquiry be carried out by independent experts on the economic advantages of standardization for both the economy at large and the sector concerned. The experts have been appointed and have begun work.

DEVELOPMENT AID

Joint Development Institute

48. The EEC Commission has approved and transmitted to the Council a report on the establishment of a Joint Development Institute drawn up by the EEC and Euratom Commissions and the High Authority of ECSC following a Council decision of 19 October 1960. By this decision the Councils of the two Brussels Communities requested the EEC and Euratom Commissions to make an inventory of the technical co-operation facilities available in the Member States and to submit on the basis of this inventory more detailed suggestions concerning the establishment of a Development Institute.

The report submitted to the Council contains in an annex a draft Council decision proposing to the associated overseas States that a Joint Development Institute be set up on the renewal of association arrangements with them.

The project which the three European Executives are submitting to the Councils comes at an opportune moment. The final act of the conference held in Paris

on 6 and 7 December 1961, between Ministers of the Member States of EEC and Ministers of the associated African States and Madagascar, requires that the establishment of development institutes — in Europe and in Africa — be considered during the negotiations on renewal of the association with the overseas countries (1).

The Executives of the European Communities have submitted to the Councils their views on the future Joint Development Institute as a contribution to the working papers for these negotiations.

The Institute would be set up in principle on 1 January 1963, i.e. concurrently with the entry into force of the new association agreement. Its management, according to the proposal of the three Executives, would be on a basis of strict equality: the supervisory bodies would be drawn in equal strength from the States of the Community and the associated overseas States.

However, although it is to be set up at the beginning by this nucleus of founder members, the Institute would not be run as a closed shop. On the contrary, the texts submitted to the Council stress the open nature of the new body, which from the outset would be able to accept further members, donors as well as beneficiaries, and could extend its activities beyond the associated African countries outside the association and, generally speaking, to any developing country which applied for help.

Defined in this way, the Joint Development Institute is seen as an essential tool for carrying out the technical co-operation policies of the three European Communities and of the developing countries themselves. Working in liaison with related institutions and taking into account similar schemes, it will place itself at the disposal of all, without exception, who seek its help in the fields of research and training, fields in which the concrete needs of the developing countries are still so great and so poorly met.

Whether the problem is research or training, the general pattern of the Joint Development Institute's activities has been conceived on realistic lines designed to make the best use of what already exists and to enable it to help fill in the most glaring gaps by its supplementary action. The plan consists, as it were, of three levels.

Firstly, the Joint Development Institute will have its own headquarters, in which it will pursue by its own means its own research and training activities in certain fields considered as having priority: economics, planning, statistics, regional development and the industrialization of the developing countries. Research and

(1) See Bulletin No. 1/62, Chap. II.

training will be of high technical quality and the Joint Development Institute would hope to have permanently at its disposal a number of field teams drawn from its corps of research workers and the body of students from the developing countries in training at its headquarters. These teams will comprise experts in several domains ready and able, on the express request of the recipient countries, to carry out on the spot, as part of a harmonized development plan, the practical tasks of technical co-operation (development plans, industrialization plans, transport plans, etc.) for which its help is requested.

Secondly, in the priority sectors just mentioned, and particularly in all the purely technical sectors in which the work of the headquarters itself will not be involved (agronomy, health, education, social affairs, etc.) the Joint Development Institute will endeavour to provide itself with a firm network of accredited correspondents. This network will consist of institutes and research and training centres already existing in the member countries of the Joint Institute, which will grant a kind of seal of approval, giving them work to accomplish and an assurance that they will be kept fully employed; there will be a reasoned policy for co-ordinating effort and harmonization of programmes. The investigations which have gone into the preparation of the documentary material on the Joint Institute have in fact revealed that existing organizations felt a great need for contact from one country to another and that full use was not being made of the research and training potential in Member States which is available to the developing countries. In encouraging these links and the full employment that is being aimed at, the Joint Development Institute will assist in the exchange of a wide range of experience from which there are important lessons to be learnt.

Lastly, the three European Executives see the Joint Development Institute as a body which would also be able to promote or to facilitate the establishment of new correspondents in all fields in which wide and real gaps become evident. This network of correspondents to be set up will extend, in all likelihood, to the developing countries themselves, where the enormous problem of training medium-grade supervisory staff needs to be realistically tackled. It is accepted today that these cadres must be trained locally. They constitute the very linchpin of a country's economy without which any real development would be no more than an illusion.

Joint campaign against cattle plague

49. The Commission has approved the participation of the European Development Fund in financing a joint campaign against cattle plague in the Lake Chad basin.

Large-scale vaccination will be employed to eradicate cattle plague in a region with a head of cattle numbering eight million, which extends over parts of four states : the Republic of Niger, the Republic of Cameroun, the Republic of Chad (all associated with EEC) and the Federation of Nigeria (a member state of the Commonwealth).

The total cost of the campaign, which will last three years, is estimated at a little under 2.8 million units of account. The finance will be provided :

a) by the Government of the United States up to a ceiling of \$800 000 (cost of the campaign in the Federation of Nigeria and co-ordination expenses),

b) by the European Development Fund up to 486 251 000 frs. CFA, equal to about 1 972 000 units of account. This will cover expenditure in the Republic of Niger (245 980 000 frs. CFA or 997 000 u.a.); in the Republic of Chad (157 775 000 frs. CFA or 640 000 u.a.); and in the Republic of Cameroun (82 496 000 frs. CFA or 335 000 u.a.).

The work will be co-ordinated, in liaison with FAO, by the Commission for Technical Co-operation in Africa south of the Sahara (CCTA).

The novel feature of the campaign is its regional basis. This is probably the first time that French-speaking and English-speaking African countries have collaborated on a practical scheme.

In addition to being an investment project the Lake Chad scheme is a technical assistance project. For the three states associated with EEC the services of 11 extra veterinary surgeons will be required. The six Member States of the Community have undertaken, at the request of the three countries concerned, to do their utmost to recruit these experts among their nationals.

Technical aid for the developing countries

50. The Group for the Co-ordination of Technical Aid for the developing countries, set up by the Council in October 1960 to co-ordinate the policies of the member countries and the Commission in this field, held its seventh meeting in Brussels on 21 December 1961.

The Group considered a report from the Commission on the veterinary surgeons needed for the joint campaign against cattle plague (see above) in the Republics of Niger, Chad and Cameroun. It established a procedure for the submission of the nominations made by the Member States. The Commission was asked to forward these nominations to the associated States concerned and to see that the appointments were made in a European spirit.

The Group also discussed how the national technical assistance services might bring up to date the two inventories submitted by the Commission on research and study facilities concerning the development countries on the one hand, and the means for training experts for these countries on the other. The further information required before these inventories can be published must be communicated to the Commission by March 1962.

In addition, the Group approved the Commission's proposal for an inventory of the programmes and practical measures of technical co-operation undertaken by the Member States in the countries of Latin America; several members emphasized the need of going further in this work than in the past. It was pointed out that under the procedure approved by the Council for the exchange of information any member of the group was always free to make an ad hoc report to his colleagues on a specific project of technical co-operation for which he wished to ask the help of the other members of the group in establishing a project for joint or common execution. It was pointed out that such a procedure, which was successfully inaugurated in the case of the scheme for a joint campaign against cattle plague (1), could facilitate the discussion of practical programmes.

Aid to the Republic of Somalia

51. The Commission decided to ask the Council's consent to an immediate loan to the Somali Government of 3 million Belgian francs, from certain funds still available under the Commission's budget, for relief work among the Somali population which had suffered severely from a recent cyclone. Somalia's share in the credits of the European Development Fund has already been expended.

The Council gave its consent on 6 December, before the opening of the ministerial meeting with the African States.

OVERSEAS DEVELOPMENT

European Development Fund

SOCIAL PROJECTS

52. In December 1961 the Commission approved the financing by the European Development Fund of the following eight social projects :

(1) See sec. 49 above.

In the Republic of Congo (Brazzaville):

Construction of a secondary teacher training college in Brazzaville with 200 places, 150 for boarders. This college will draw its students from the four States of Equatorial Africa (Congo, Gabon, Central African Republic and Chad).

The total cost including plans, building and equipment is estimated at 260 million frs. CFA, or about 1 053 000 units of account.

This project is being carried out in co-operation with the United Nations Special Fund, which will supply the teaching material and cover the salaries of the teaching staff for a minimum of five years. The French Technical Assistance Service will be responsible for the administrative staff.

The completion of this project will enable the States of Equatorial Africa to train their own secondary school teachers, and these will gradually replace the teachers seconded to them by the Technical Assistance Service.

In the Central African Republic:

— The rebuilding in durable materials of temporary accommodation for 167 primary school classes;

— Enlarging of schools by building and equipping 49 new school rooms;

— Construction of 216 teachers' quarters.

The total cost of the work and equipment is estimated at 590 million frs. CFA (about 2 390 000 units of account in round figures).

This project will strengthen educational facilities and increase the effectiveness of the teaching provided in the Central African Republic.

In the Republic of Ivory Coast:

Water supply at Bouaké, the second city of Ivory Coast, for an amount of 390 million frs. CFA (about 1 580 000 units of account).

The new water supply system is a necessity for the harmonious development of this city, whose population has doubled in ten years, as a centre of economic and social activity.

In the Republic of Mali:

Construction and equipping of the Institut d'Economie Rurale du Mali (IERM) at Bamako for a provisional commitment of 90 million frs. CFA (approximately 365 000 units of account).

The Mali Government has decided to set up this public service under the Five-Year Plan for Economic and Social Development.

The IERM will be a study and planning body with the task of permanent liaison and co-ordination between the various organs and authorities engaged on research into and study and execution of agricultural development programmes.

If the Institute is to carry out its functions satisfactorily it is clearly necessary that a building specially designed to accommodate it must be provided. This need is met by the present project.

In the Republic of Senegal:

Building and equipment of the Ecole Nationale des Cadres Ruraux at Bambey for a provisional commitment of 125 million frs. CFA (about 506 000 units of account).

Under the Four-Year Plan for Economic and Social Development, the Government of Senegal has decided gradually to replace technical aid personnel by national cadres. It must therefore itself undertake the training of officials of works engineer standing in the various branches of rural economy.

The aim of the project is to further this policy by building and equipping a national school for rural supervisory personnel which could train the major part of the technicians needed for rural development in Senegal.

In the Republic of Niger:

1) The construction of 100 agricultural guidance centres for an amount of 211 million frs. CFA (about 885 000 units of account).

The organization of a coherent system for the dissemination of farming knowledge is the first stage in the rational development of the agricultural resources of Niger. These rural guidance centres should make it possible to increase the value of agricultural production in the country by about 5 % annually.

2) Construction and equipping of 50 primary schools, six continuation schools with accommodation for boarders, six boarding wings in existing continuation schools and a secondary college for girls at Niamey.

The cost is estimated at 1 211 250 000 frs. CFA (about 4 907 000 units of account).

This project follows an earlier one now under way for the construction of 116 primary classes and 6 continuation courses for an amount of about 700 million frs. CFA (about 2 780 000 units of account).

As part of the Three-Year Development Programme, this new project responds to the Government's anxiety to widen training facilities, particularly by developing secondary education to ensure balanced training of youth and reduce the lag in girls' education.

The completion of these different projects will make it possible :

- to provide an establishment for rapid secondary education (four-year course) in 80 % of the administrative sub-divisions of the country. When the system is working at capacity it will turn out about 250 candidates annually for employment in medium-grade occupations;
- to double the number of staff for girls' secondary schools;
- to bring to an average level of 6 % the primary schooling in the three least favoured administrative sub-divisions.

In the Territory of Rwanda-Burundi:

Construction of a rural hospital at Rutana and a maternity hospital at Ngozi. The total cost of the work and equipment is estimated at 9 400 000 frs. R.B., or about 188 000 units of account.

The completion of this project will provide a rural hospital for the last province of Burundi as yet without one, and will improve facilities for maternity and child welfare in Ngozi, the most densely populated province (165 inhabitants per square kilometre) in a country with a very high birth rate (54 per thousand in 1960).

ECONOMIC PROJECTS

53. During the same month the Council approved the Commission's proposals for the financing of the following three economic projects :

In the Republic of Congo (Brazzaville):

- 1) The improvement at different points and the asphaltting throughout of :
 - a) a 41-km section of the road between Pointe-Noire and Kouilou and
 - b) a section of about 24 km of the road between Pointe-Noire and the frontier of Cabinda.

The cost of the work for the entire 65 km is estimated at 450 million frs. CFA, to which are to be added 6.7 million frs. CFA for the necessary surveys, making altogether some 470 million frs. CFA, or in round figures 1 904 000 units of account.

OPERATIONS OF THE EUROPEAN DEVELOPMENT FUND

Financing approved — situation on 31 December 1961

(in thousand units of account)

Country or territory	No. of projects	Amount
Congo (Leopoldville)	8	9 384
Rwanda-Burundi	12	3 125
Total	20	12 509
Cameroun	17	16 021
Central African Republic	14	8 418
Comores	5	2 069
Congo (Brazzaville)	11	12 578
Ivory Coast	14	23 568
French Somali Coast	1	742
Dahomey	11	8 389
Gabon	9	8 058
Upper Volta	8	14 806
Madagascar	22	25 562
Mali (former Sudan)	18	15 092
Mauritania	7	9 780
Niger	4	13 052
New Caledonia	4	273
Polynesia	1	2 474
Senegal	10	15 621
Chad	10	11 851
Togo	12	9 409
Réunion	3	1 682
Martinique	1	2 542
Guadeloupe	2	970
Algeria	7	17 680
Total	191	220 629
Somali Republic	4	4 760
Netherlands New Guinea	6	12 487
Grand total	221	250 386

The asphaltting of the two roads is necessary in one case because of the relative weight of traffic, and in the other because a sandy sub-soil makes the establishment of a firm road-bed difficult. The completion of the project will help to cut maintenance and transport costs.

2) The improvement of transport facilities through the valley of the Lefini, over 30 km, as part of work on the improvement of the Northern highway from Brazzaville to Ouessou. The cost of the work is estimated at 245 million frs. CFA, to which is to be added survey costs of 10 million frs. CFA, which the European Development Fund has also been asked to provide. The total investment amounts therefore to 255 million frs. CFA, or in round figures 1 033 000 units of account.

The road from Brazzaville to Ouessou is about 1 000 km long. It is the only land link with the North of the country and for this reason is of both economic and administrative importance. In its present condition however, it cannot take heavy traffic throughout its length, since certain sections are unusable during several months of the year.

The improvement of the route through the valley of the Lefini will supplement the restoration of the approach to Brazzaville already financed by the EDF, and will allow permanent communication over the first 500 km of the Brazzaville-Ouessou highway.

3) The purchase of 50 lumber wagons for the transport of timber felled in proximity to the new COMILOG railway now being built. The cost of each wagon fitted out and delivered to Pointe-Noire, is estimated at 1.8 million frs. CFA, so that the total investment is 90 million frs. CFA; in round figures 365 000 units of account.

The COMILOG railway will cross sparsely-populated areas, which are poorly served by communications, but are very rich in timber, particularly "okoumé" and "limba". The exploitation of these forest areas will lead to an increase in annual output of about 100 000 metric tons, whence the need for these 50 wagons.

SIGNATURE OF FINANCING AGREEMENTS

54. During the same period the following financing agreements were signed :

- a) An agreement with the Republic of Cameroun to finance an economic project to an amount of 215 million frs. CFA (about 871 000 u.a.);
- b) An agreement with the Republic of Ivory Coast to finance three social projects to a total amount of 1 003 000 000 frs. CFA (about 4 063 000 u.a.);
- c) An agreement with the Republic of Senegal to finance two social projects to a total amount of 215 million frs. CFA (about 871 000 u.a.).

ADMINISTRATIVE AFFAIRS

Statute of service (1)

55. At its 60th session on 18 December the Council of EEC adopted a regulation on the statute of service of officials and system applicable to other employees of the European Economic Community.

The regulation will be published in the official gazette of the Communities and will be effective from 1 January 1962.

The Council also adopted on a proposal of the Commission a regulation on the Community tax applicable to officials of EEC.

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Appointments and changes in the administrative staff of the Commission

56. In December 1961 the Commission made the following appointments :

1. M. J. F. Deniau to be head of the delegation for the negotiations on the accession of the United Kingdom;
2. M. F. Braun, formerly Head of Division in charge of liaison with other institutions of the Communities in the Secretariat of the Commission to be Director of Industry, Handicrafts and Commerce in the Directorate General of the Internal Market.
3. M. H. Etienne, formerly deputy Head of the private office of M. Schaus, to be Head of the Division for liaison with other institutions of the Communities in the Secretariat of the Commission.
4. M. A. Prate, formerly secretary of the Monetary Committee in the Directorate General of Economic and Financial Affairs to be Director of Economic Structure and Development in the same Directorate General.

(1) See also Bulletin No. 1/62, Chap. I, final paragraph.

5. M. Munzi, formerly a member of a division in the Manpower Directorate of the Directorate General of Social Affairs seconded to the private office of M. Levi Sandri, to be Head of the Social Fund Division in the Directorate General of Social Affairs.

6. M. J. Reynier, formerly member of a division in the Statistical Office of the European Communities, to be Head of the division for Statistics of the associated overseas countries in the Statistical Office.

7. M. G. Poensgen to be Head of the Right of Establishment Division in the Directorate General of Overseas Development.

In December 1961 M. C. Hemmer, Director of Industry, Handicraft and Commerce in the Directorate General of the Internal Market left the service of the Commission to take up the functions of Director of the Luxembourg Chamber of Commerce.

Publications of the Statistical Office of the European Communities

57. The Statistical Office of the European Communities has just issued the third number of its publication "Basic Statistics". This pocket edition is available in the four Community languages and will shortly be published in English; it gives information on major economic activities for the six EEC Member States, the seven EFTA countries, Finland, Greece, the Soviet Union, the United States and Canada. Its 90 tables give details among other things of area, population, age groups, working population, national product, agricultural structure and production, energy, industrial production, transport, external trade by areas and by groups of products, consumption, standards of living and price trends. The tables include comparisons between the countries and between economic groupings, as well as figures on the situation and relative importance of the EEC in relation to world economic activity. A study of the tables yields interesting conclusions on economic development so far attained in the course of European integration.

VII. Institutions and organs

A. THE PARLIAMENT

The session adjourned on 24 November 1961 ⁽¹⁾ was resumed on 19 December and continued until 21 December.

Apart from problems connected with the ECSC, the debates were concerned mainly with the following questions: common transport policy, common agricultural policy, a plan for a Union of the Peoples of Europe and the European University.

Several recommendations and resolutions were adopted on these questions and on emergency aid for the Republic of Somalia after the catastrophe which has just struck this country.

Debate on the common transport policy

Three reports were presented:

- a) On the establishment of a common transport policy in the EEC, by M. Kapteyn;
- b) On navigation on the Rhine and in the ports of Rotterdam and Amsterdam, by M. Garlato;
- c) On air transport in the EEC, by M. Battistini.

M. Kapteyn's report examined all aspects of the transport policy reviewing the developments which had led to the present situation and referring to the experience of non-member countries, particularly the United States. It adopted a firm standpoint on several problems indicating the objectives to be attained and the means to be employed thereto.

The report called for a common market in transport, that is to say the free movement of services in this sector as stipulated by the Treaty of Rome; it laid particular stress on the principle of profitability, which implied that transport must be considered from the same angle as any other sector of the economy.

As for the publication of freight rates, the rigid systems in force on the railways or for road transport in Federal Germany must give way to a system of categories of goods and of transport connections with publication of the relevant

(1) See Bulletin No. 1/62.

rates. This system, which would be uniform throughout the Community for each mode of transport, could be introduced in three stages.

In connection with the liberalization of road transport and the harmonization of competitive conditions, fiscal and social conditions must also be brought into alignment as rapidly as possible. M. Kapteyn proposed a system of dues and levies varying from country to country and designed to compensate for artificial differences in costs.

The report also urged that freedom of establishment for transport ancillaries should be held over until 1967 so as to be put into effect at the same time as freedom of establishment for transport firms.

M. Schaus, a member of the EEC Commission, replied on its behalf to the rapporteurs. He said that in the field of transport "it is important not only that discrimination should disappear, but that freedom to supply services and freedom of establishment should be introduced, and that competition should not be distorted." The common transport policy would be worked out and put into effect in a Community framework. Though this would in fact call for negotiations on the basis of the Treaty of Rome, these could not be inter-governmental negotiations. "Article 75 of the Treaty is unequivocal on this point. It is for the Commission to make proposals."

M. Schaus emphasized that in the main the European Commission and the Transport Committee of the Parliament were agreed on the main lines of the common transport policy. They both held the view that this policy should be based on free competition. The differences of opinion, which existed and which were not irreconcilable, were connected with such points as the question of price formation, the role which must be left to the public authorities, and the question of restricting capacities.

The Parliament heard next the views of the three political groups, all of which accepted the conclusions of the Kapteyn report. M. Müller-Hermann, speaking on behalf of the Christian Democrat group, said that the energy, agricultural and transport policies were closely interlinked and must be worked out and carried through along parallel lines; completely free competition on the transport market could not be permitted: measures would be necessary to avoid excess capacity. Furthermore, some publicity for prices, at least after they had been introduced, was essential in order to avoid abuse, and the burden of taxation on the various types of transport must be equally shared.

M. De Kinder, on behalf of the Socialist group, said that the Socialists approved the Kapteyn report. He observed that it went further than the Commission's memorandum on transport policy.

Speaking for the Liberal group, M. Brunhes warmly supported the Kapteyn report.

M. Posthumus put forward the views of the Socialist group on the Corniglion-Molinier report, stressing the absolute need for a European policy on air transport.

After speeches from M. Carcassone, M. Carboni and other members and after M. Kapteyn's reply, the Parliament adopted the resolutions on the basis of the three reports under discussion.

It adopted first a resolution approving the general principles formulated in M. Kapteyn's report and it invited the Transport Committee to bear these in mind when drafting the opinion, requested by the EEC Executive, on the Memorandum on the general lines of a common transport policy.

It then adopted the resolution proposed in M. Battistini's report on the question of air transport in the Community (1).

The Parliament adopted unanimously a resolution on the report of the mission sent to study problems of transport on the Rhine and in the ports of Rotterdam and Amsterdam. In this resolution the Parliament expresses its approval of the ideas put forward in M. Garlato's report and calls for an early definition of the basic lines of a common transport policy, in which both inland and maritime shipping may find their proper place in accordance with their special features and needs (2).

Debate on the common agricultural policy : Mme Strobel (Germany, Socialist) presented the report of the Committee on Agriculture concerning the functions of the EEC Commission in the implementation of the common agricultural policy.

A draft resolution on the weakness of the Commission's attitude during the Council's discussions on the establishment of the common agricultural policy, which had been tabled by the Socialist group and referred to committee, was withdrawn. On the following day, Mme Strobel presented a new prepared text drawing attention to the possible consequences of a weakening of the Commission's powers on the establishment of the Common Market and recalling that only the Executive is responsible to the Parliament (3).

Debate on the draft treaty for a Union of the Peoples of Europe : on 21 December a full debate was held on the recommendations to be made to the Governments concerning the plan for a " Union of the Peoples of Europe ".

(1) For text of resolution see Annex, p. 102.

(2) For text of resolution see Annex, p. 103.

(3) For text of resolution see Annex, p. 104.

The debate was opened on 20 December by M. Pleven who outlined the background to the plan, adding that though it fell short of the expectations raised by the Bonn declaration of 18 July 1961, the Political Committee had decided not to reject the draft, despite its weaknesses. It had at least the merit of existing, and M. Pleven felt that it represented a step forward. The Political Committee though unable to accept the view of the Belgian and Netherlands Governments that British participation in the drafting was a kind of "sine qua non" made two stipulations for the adoption of the draft: the results achieved by the Treaty of the three European Communities were not to be called in question, and the new treaty must not prejudice the future development of the European structure.

The common defence policy pursued by the Union, the speaker continued, would have to be aimed at strengthening the Atlantic Alliance. The Political Committee also urged that any new institutions should be kept to the irreducible minimum. The Secretary-General of the Union should be independent; he should have the task of seeing that the Councils' decisions were carried out and of keeping the Parliament informed of the progress made; lastly, he should have powers of initiative similar to those of the European Communities.

The Political Committee proposed that the Council might act by an absolute majority of the Member States, at least on questions of procedure. The Parliament should have wider powers, particularly in budgetary matters. The regular quarterly meetings which had been held, said M. Pleven, foreshadowed the proposed Council of the Union. He found it regrettable that the Executives had never been invited to take part, despite a promise that this would be done.

Referring to the expression "Union of the Peoples of Europe", the speaker said that although the structure now contemplated hardly corresponded to this appellation, it was interesting to note that the name gave a hint of the lines on which the Union would develop.

As for the revision to be carried out after three years, the Political Committee felt that the Parliament should take an active part in working out the revision proposals in co-operation with the Governments.

The Committee also thought that the Union of the Peoples of Europe might take over the duties of WEU.

Lastly, the Political Committee felt that the Union would really be launched when its President came to be appointed, not by agreements between heads of Government, but by direct elections.

M. Pleven was followed by M. Hirsch, President of the Euratom Commission, who began by saying that as his term of office as President of the Euratom

Commission had not been renewed this was his last opportunity to address the Parliament.

Reflecting upon the past and glancing towards the future of the institutions, he laid particular stress on the importance of the dialogue between the Council and the Commissions. This dialogue would be stultified if practices crept in which impaired the independence of the members. "What would be the significance of a dialogue between the *de jure* representatives of the Governments meeting in the Council and a Commission whose members were moved *de facto* by national considerations?... There is here a danger", added M. Hirsch, "of which the inevitable consequence will be to destroy the Community institutions". The institutions, and particularly the Parliament, owed it to themselves to find a remedy.

Looking back over his term of office as President of Euratom, M. Hirsch said that on no occasion had his conscience been torn between Community interests and those of his country. "Admittedly", he said, "my attitude did not always meet with the approval of the French Government. In each case my decisions were approved by the Parliament without distinction as to political group or nationality."

M. Hirsch was emphatic in his views on the unanimity rule, which implied a right of veto and either led to agreement on decisions involving the least possible commitment or simply brought all progress to a standstill.

Both at the beginning and the close of M. Hirsch's speech, the representatives rose from their seats to give him an ovation.

M. Malvestiti, President of the ECSC High Authority, stressed the importance of co-operation between the Executives and the Parliament in the plan for a Union of the Peoples of Europe, and gave his support, on behalf of the ECSC High Authority, to M. Pleven's report.

M. Schaus, a member of the EEC Commission, paid tribute on behalf of the EEC to the personality of President Hirsch and to his work; he, too, expressed the EEC Commission's agreement with the ideas put forward in M. Pleven's report.

"Our feeling, too, is that the plan put before us falls short of the European ideal we cherish, but we are realists. We know that politics is essentially the art of the practicable."

M. Peyrefitte, speaking on behalf of the Liberal group, also declared himself in broad agreement with the ideas contained in the Pleven report. But he did not

believe that a " dual executive " such as is provided for in the Treaty of Rome could be a good pattern for political union.

Whilst allowing that the majority rule would be the ideal, M. Peyrefitte defended the unanimity rule which he felt would not seriously hamper the working of the Union.

The Liberal group said the speaker, felt that it was vital to get the plan under way: the general revision after three years should take account of the progress made up to that point.

M. van der Gøes van Naters (Netherlands, Socialist) and M. Dehousse (Belgium, Socialist) explained the attitude of their group towards the project. The Socialist group made the following stipulations for the acceptance of the Fouchet plan :

- a) The existing European Community organs must not be made subordinate to the organs of the future Union;
- b) The common foreign and defence policy of the Union must not lead to a weakening in the overall solidarity of the NATO members;
- c) The first part of the Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols, must be made an integral part of the treaty;
- d) At least once a year the Council of the Union must make a report to the Parliament on the progress of political co-operation. The European Parliament should settle the annual budget of the Union and should have a hand in the revision of the Union Treaty.

M. Dehousse also spoke of the importance of the election of the European Parliament by direct universal suffrage, the need to strengthen the Parliament's powers and the plan to merge the Executives.

M. Dehousse doubted whether ratification of international treaties by the European Parliament was advisable; it would raise very complicated constitutional problems in the Member States.

The debate continued on 21 December with a speech from M. Burgbacher (Germany, Christian Democrat) who suggested that, after the merging of the Executives, the President of this single Executive should at the same time be Secretary-General of the Union; this would prevent divergences in the political and economic development of Europe. One point in the recommendations to be made should be that accession to the existing Communities would involve automatic accession to the Union.

M. Bohy (Belgium, Socialist) spoke of certain aspects of British participation in the Union. He criticized the draft feeling that it fell far behind the promises held out by the Bonn declaration. " We were expecting the creation of a European Executive with limited but real powers, and above all an Executive independent of the national authorities. We expected that this Executive would derive its authority from and be subject to the censure of this house. And for the Parliament itself, we expected a widening of its powers, perhaps its legislative powers but in any case its budgetary and supervisory powers. Instead of all that, we are offered a structure which threatens to subordinate the existing European Communities to a committee of civil servants closely tied to their respective countries. "

Mme Probst (Germany, Christian Democrat) stressed the need for an independent Secretary-General, so that the Parliament should be able to hold discussions with a partner able to speak in his own right. Provision should be made for the Court of Justice to play its part in building the Union of the Peoples of Europe. As to the statutory character of the Union, she wondered whether the Bonn declaration of 18 July 1961 might not justify the Parliament in drawing up a basic law, a kind of European constitution.

M. van Dijk (Netherlands, Liberal) wondered whether it had been wise to discuss a plan which had not even been transmitted to the Parliament. In any case he did not think that a single office of Secretary-General was the right way to represent the Union's Community element.

Replying to M. van Dijk, M. Battista (Italy, Christian Democrat) expressed the opinion that the Parliament had not only the right but also the duty to discuss the Fouchet plan, even though it had not been referred to them officially.

M. Santero (Italy, Christian Democrat) spoke of the role of the Parliament in the drafting of the Union Treaty, the admission of new members to the Union, and the question of the Political Committee.

M. Kreyssig (Germany, Socialist) reminded the Parliament of the reception accorded to the resolutions it had sent to the Councils, and particularly the resolution concerning the budget.

M. Janssens (Belgium, Liberal) approved the draft and said he was opposed to any prior conditions which might hamper or hold up the current negotiations.

M. Schuijt (Netherlands, Christian Democrat) deplored the reluctance of member countries and particularly the French Government to face the growing need for political cohesion. They should judge by facts, not intentions, and certain facts had aroused misgivings: the postponement of decisions on direct elections to the European Parliament and the merging of the Executives; the fate of the

project for a European University; the failure to renew President Hirsch's term of office — all these, said M. Schuijt, spelt failure for Europe. The remedy for the present situation offered by M. Pleven's plan for a Union was not enough. M. Schuijt could approve it only on two conditions: first that a Commission be set up composed of independent members, responsible to the Parliament, having the same prerogatives as the Executives of the Communities; secondly, that the plan to merge the Executives be put into effect. Unless these two conditions were fulfilled, he would prefer to go back to the old text, with the unanimity rule and no Secretary-General.

M. Jarosson (France, Liberal) stressed that the draft was a compromise. He gave his approval since it included five points he considered essential:

- a) Explicit reference to the Treaties of Rome and Paris;
- b) Streamlining of the institutions;
- c) Gradual relaxation of the unanimity rule;
- d) Presence of the Executives at the Council's discussions;
- e) Gradual identification of the existing Communities with the Union.

Speaking on behalf of the Christian Democrat group of the Parliament, M. Lücker (Germany) approved the draft treaty. He did say, however: "We want more than what is proposed in the Fouchet plan, we want more than what is proposed in the Political Committee's report". But M. Lücker doubted the wisdom of making exaggerated demands, feeling that the route mapped out by the rapporteur was the right one and that he and the Parliament could be relied upon to press forward the plan in the direction desired by the Christian Democrat group.

Replying, M. Pleven took up all the points made and attempted to bring out what was common ground despite the reservations and criticisms. The Bonn declaration "was the key to the whole project; it was that Declaration which had prompted the Committee's positive attitude", and the Committee had taken up this attitude because of the safeguard clause the Declaration contained.

M. Pleven felt that the plan, so far from delaying or hindering the accession of Great Britain to the Community, would have the opposite effect; it was undesirable to burden the British Prime Minister with a further condition; he had already to be careful of public opinion which still flinched at taking the great leap across the Channel.

In conclusion, M. Pleven declared that the recommendations which the Parliament was asked to adopt formed a single whole; the Governments should take these proposals as an absolute minimum programme, and should realize that the unanimity reached after discussion of the report meant, without the shadow of

a doubt, that the members of the European Parliament felt most profoundly that discussion of the real European problem — that of “ Europe as a power ” — could not be put off much longer.

M. Pleven said he was sure he was voicing the opinion of all in saying that this power must become a reality within the three-year period.

The Parliament adopted a Recommendation on the draft treaty establishing a Union of the Peoples of Europe (1).

Debate on the European University : On 19 December the Parliament held a debate on the European University. M. Friedensburg presented the Cultural Committee's report in place of M. Geiger, who was no longer a member of the Parliament.

He recalled that in the previous debate on this subject the general view of the Parliament had always been quite clear. Taking as a basis Article 9 of the Euratom Treaty, they had always urged the establishment of a truly European University and this desire had been expressed in the resolution of 29 June 1960.

M. Friedensburg noted that the heads of State or Government meeting in Bad Godesberg in July 1961 had spoken, not of founding a European University in the framework of the Community, but of signing among themselves a convention under which Italy would found a University in Florence, to the intellectual life and financing of which the six States would contribute. This, he said, did not correspond to the wishes formally expressed by the Parliament. Furthermore, the institutions of the European Atomic Energy Community had not been associated with the Bad Godesberg decision.

However, added M. Friedensburg, the Cultural Committee did not feel that they should reject the new plan put forward by the heads of State or Government, but that they should endeavour to make the best of it.

As for the participation of the Parliament in the Italian Committee set up to advise on the organization of the University, President Furler had agreed that they should do this and they could not change their minds now.

A number of Italian speakers (M. Ferretti, M. Pedini, M. Carboni and M. Battaglia) reviewed the background of the problem, stressing that the establishment would after all be essentially European in character.

M. de Block wanted to know by what particular characteristics was a University founded in one of the member countries to be recognized as a European University.

(1) For text of recommendation see Annex, p. 104.

M. De Kinder (Belgium, Socialist) criticized severely the decisions of the heads of State or Government who in this matter of the University, had let slip the opportunity of demonstrating their good intentions by deeds and not words.

M. Posthumus (Netherlands, Socialist) raised a number of objections on matters of both procedure and substance. Mme Schouwenaar-Franssen (Netherlands, Liberal) declared that despite the reservations expressed, with which she agreed, she would vote for the draft in the hope that it would be possible to go further than the plans put forward in the Bad Godesberg Declaration.

An amendment tabled by the Socialist group was discussed, after which the Parliament passed a resolution taking note of the decision of the heads of State or Government and regretting that this decision ignored the proposals of the Euratom Commission. The resolution approved the initiative taken by the Italian Government in arranging for the institutions of the three Communities to participate in the Organizing Committee of the European University (4).

B. THE COUNCIL

The Council met in Brussels for its sixtieth session from 18 to 21 December, from 29 to 30 December 1961 and from 4 to 14 January 1962. M. Erhard, Federal Minister for Economic Affairs, was in the chair.

The main decisions taken from 18 to 21 and from 29 to 30 December were given in Chapter I of Bulletin No. 1/62.

The following should also be mentioned :

Draft directive concerning the establishment of certain common rules applicable to international goods transport by road. The Council decided to transmit to the European Parliament and to the Economic and Social Committee, pursuant to Article 75 (1) of the Treaty, the proposed directive concerning the establishment of certain common rules applicable to international goods transport by road.

Social security for frontier and seasonal workers. The Council decided, at its discretion, to consult at once the European Parliament and the Economic and Social Committee on the draft Regulation concerning social security for frontier and seasonal workers.

The decisions taken from 4 to 14 January are given in Chapter I of this Bulletin.

M. Lahr, Federal German Under-Secretary of State for Foreign Affairs informed the press on the morning of 14 January, that there had been no time to discuss the question of acceleration, and this will be dealt with at a forthcoming session of the Council.

C. THE COURT OF JUSTICE

On 19 December 1961 the Court of Justice gave its judgement on the Commission's complaint against the Italian Republic alleging infringement of the Treaty. Italy had suspended imports of certain products in the pigmeat sector whose liberalization had been bound under Article 31 of the Treaty ⁽¹⁾.

The Court found that, by provisionally suspending imports of pigmeat from Member States, the Italian Government had acted contrary to the first paragraph of Article 31 of the Treaty. Costs were awarded against this Government. The judgement is the outcome of a request made under Article 169 of the Treaty on 20 March 1961 by the Commission.

In the grounds for the judgement it is stated :

a) With regard to procedure under Article 169 :

- i) That the purpose of proceedings under Article 169 is to obtain a ruling from the Court that a Member State has failed to fulfil one of its obligations under the Treaty;
- ii) That if the accused Member State has not regularized its position by complying with the Commission's reasoned opinion within the time-limit fixed by the latter, the Commission cannot be deprived, even by regularization after the expiry of this period, of the right to obtain the Court's ruling on the alleged default;
- iii) That in order to comply with a reasoned opinion, a Member State may not confine itself to invoking a safeguard measure, but must put an end to the measures considered by the Commission to be contrary to the Treaty;

b) With regard to the standstill obligation in Article 31 :

- i) That this obligation is absolute and allows of no exception, even partial or temporary;
- ii) That the very fact that an emergency procedure has been provided for in Article 226 excludes any unilateral action on the part of the Member States,

(1) See Bulletin No. 4/61, Chap. III.

which therefore cannot plead the urgent nature or the gravity of the situation to evade the procedure laid down in Article 226.

This judgement confirms all the arguments advanced on behalf of the Commission.

Resignation of a Judge

On 15 December 1960 M. A. M. Donner, the President of the Court of Justice, informed the Presidents of the Councils of the EEC and the EAEC of the resignation of M. Nicola Catalano, a Judge in the Court of Justice of the European Communities.

M. Catalano will continue in office until his successor, who will be appointed for the remainder of M. Catalano's term of office, that is to 7 October 1967, can take up his functions.

D. THE ECONOMIC AND SOCIAL COMMITTEE

On 15 December 1961 the Economic and Social Committee held its 18th session in Brussels with M. Rosenberg in the chair. The Committee drafted the following three opinions :

- a) Opinion on the " proposals for the first measures to be taken for co-ordinating energy policies " ;
- b) Opinion on the " draft Council directive on the approximation of the regulations of the Member States on colouring matters permitted in food products for human consumption " ;
- c) Opinion on the draft Council directive concerning the campaign against bluemould in tobacco " .

M. Marjolin, Vice-President of the EEC Commission, and M. De Groot, a member of the Euratom Commission, were present at the discussion on the co-ordination of energy policies.

The opinion on the proposed first measures for co-ordinating energy policies was adopted by the Committee by 73 votes to 1, with 10 abstentions.

It should be recalled that on 9 June 1961 the EEC Commission requested the Economic and Social Committee by the non-mandatory procedure to give an opinion on the " proposals for the first measures to be taken for co-ordinating energy policies " drawn up by the Inter-Executive Working Party on Energy.

In giving its opinion the Economic and Social Committee accepts the measures proposed in the Inter-Executive Working Party's document, provided that a large

number of problems whose solution is linked with these measures are taken into consideration. The Committee states in the conclusion to its opinion that the common energy policy must be based on the fundamental requirements of the Community's economic and social development and consequently its implementation depends upon the political resolve of the Six.

The opinion on the proposed Council directive concerning colouring matters was adopted unanimously by the Committee.

The Committee was consulted by the Council on this proposed directive on 24 October 1961.

In this opinion the Economic and Social Committee expressed its approval of the Commission's proposal. It hoped, however, that measures to stipulate what food products may be coloured with the permitted substances and in what ways, would be worked out and adopted as soon as possible.

The opinion on the Council's draft directive concerning the campaign against bluemould in tobacco was also rendered unanimously by the Committee, which was consulted by the Council on this subject on 24 October 1961.

In this opinion the Committee approves the proposed directive, but indicates that the Council should make certain suggestions to the Member States concerning its application.

Lastly, the Committee noted reports drawn up by the Agricultural Section concerning the proposed regulations of the Commission on grain, pigmeat, eggs and poultry, fruit and vegetables and wine-growing.

It was decided to transmit these reports to the Commission for information. All the reports approved the spirit of the Commission's proposals.

The next plenary session of the Economic and Social Committee was fixed for 25 and 26 January 1962.

E. THE MONETARY COMMITTEE

The Monetary Committee held its 36th session on 20 and 21 December 1961 under the chairmanship of Jonkheer E. van Lennep.

Pursuing its studies of the Monetary and financial situation of the Member States, the Committee has examined the situation in the Federal Republic of Germany.

ANNEX I

RESOLUTIONS OF THE EUROPEAN PARLIAMENT

Resolution concerning the report on problems connected with the common transport policy in the European Economic Community

The European Parliament,

Stressing the importance of transport as an instrument essential to the attainment of the Community's objectives;

Drawing attention to the need to formulate at an early date a common transport policy as called for by the EEC Treaty, in order to ensure for this sector, in the same way as for the other sectors of the economy, a harmonious expansion in the framework of Community integration;

Having examined the report on problems connected with the common transport policy in the EEC;

Approves the general principles set out in this report;

Invites its Transport Committee to bear these in mind when drafting the opinion, requested of it by the EEC Executive, concerning the Memorandum on the general lines of a common transport policy.

Resolution on air transport problems in the framework of the European Economic Community

The European Parliament,

Having noted the report presented by M. Corniglion-Molinier on behalf of the Transport Committee;

Having regard to Articles 2 and 3 (e) of the Treaty establishing the EEC, and particularly Article 84 thereof which provides that "The Council acting by means of a unanimous vote, may decide whether, to what extent and by what procedure appropriate provisions might be adopted for sea and air transport";

Endorsing the view expressed on several occasions by the EEC Commission that the general rules of the Treaty establishing the EEC apply to air transport;

Stressing the vital and urgent need for

co-operation at the level of the European Economic Community in matters of air transport;

Drawing attention to the efforts that have so far been made on the international plane in general, and on that of Europe in particular, with the purpose of achieving such co-operation;

Considering that the long delay in making arrangements for the gradual application of the Treaty of Rome to air transport may entail consequences inimical to the harmonious development of European integration;

Is of the opinion that every step should be taken to ensure the early success of the current negotiations, whose object is to

establish effective and rational co-operation in every field between airlines in the EEC, in particular with a view to cutting costs;

Considers that such co-operation will not achieve its purpose unless it includes all the large EEC airlines and unless these airlines apply, within a single organization, a true Community policy;

Proposes that, after a transition period still to be determined, all the traffic of the member airlines should come within the purview of the single organization;

Considers that a common air transport policy in an EEC framework must be one of the essential objectives of the Community;

Considers it indispensable that this common air transport policy should be based on the following principles :

- i) Expansion of traffic encouraged by low fares and freight rates,
- ii) Gradual abolition of subsidies to airlines,
- iii) Price formation on the basis of costs,
- iv) Regulated competition between the airlines,
- v) Primacy for initiatives of the airlines,

vi) Complete neutrality with respect to airlines,

vii) Absolute neutrality with respect to the different modes of transport,

viii) Priority of a world solution over a Community solution; in particular efforts to achieve co-operation at European level without prejudice to the arrangements for co-operation now applied on the world level, as for example in the I.A.T.A.;

Invites the EEC Commission to pursue its study of the problems involved in co-operation on air transport in the EEC, adopting the ideas put forward in M. Corniglion-Molinier's report;

Requests the EEC Council to place this problem on the agenda of a forthcoming meeting in order to make possible the early adoption of the appropriate measures for which provision is made in Article 84 (2);

Hopes that the Governments of the Member States and the EEC airlines will bring the negotiations they have undertaken to a successful conclusion without delay;

Instructs its appropriate Committee to follow closely developments in connection with this problem.

Resolution in connection with the mission sent to study problems of transport on the Rhine and in the ports of Rotterdam and Amsterdam

The European Parliament,

Having examined the report presented by the Transport Committee, on the mission sent to study problems of transport on the Rhine and in the ports of Amsterdam and Rotterdam (doc. 108);

Having noted the various structural, economic, legal and social problems discussed in this report, which require — some of them with great urgency — study and solution not only because they are important in themselves but also, and more especially, so that these matters can be

dealt with in the framework of the Common Market;

Having noted that most of these problems are bound up with the guiding principles of a common transport policy;

Approves the general ideas set out in the report;

Calls for an early definition of the basic lines of a common transport policy in the EEC in which both inland and maritime shipping may find their proper place in accordance with their special features and needs.

Resolution concerning the powers of the European Commission in the implementation of the common agricultural policy

The European Parliament,

Recalls its recent opinions concerning the proposals of the executive Commission on the common policy for a certain number of important agricultural products;

Notes that according to unofficial information the Council of Ministers intends to curtail the functions of the executive Commission in favour of a new administrative body whose approval would be necessary and decisive;

Draws attention to the consequences which

such an impairment of the Commission's powers would have on the establishment of the Common Market;

Protests vigorously against any arrangement which would rob the Commission of the powers it holds in conformity with the spirit of the Treaty;

Requests the Council not to take a decision setting up new bodies without first consulting the Parliament;

Recalls that only the executive Commission is responsible to the European Parliament.

Recommendation on the draft treaty establishing a Union of the Peoples of Europe

The European Parliament,

On the basis of the Resolution adopted on 23 November 1961, concerning procedure for co-operation between the Parliament and the Governments of the Member States of the European Communities further to the declaration of 18 July 1961,

Addresses to the Governments the following recommendations :

I. General principles.

1. The Parliament has often expressed the view that the present world situation renders an organized and permanent understanding between member countries of the European Communities indispensable, particularly in the fields of foreign policy, defence and culture.

On behalf of the peoples of Europe, whom it represents by virtue of the Treaties, the Parliament hopes that the Governments will go as far as possible towards a political union of Europe.

2. The Parliament is convinced that regular planned meetings of heads of State or Government in the spirit of the Bonn Declaration of 18 July 1961, can contribute to strengthening the links between the six countries and pave the way for the political union desired by their peoples. It accordingly agrees that further steps should be taken to this end.

3. The Parliament is anxious to avoid anything which might constitute, or even appear to constitute, a retrograde step in relation to the Treaties instituting ECSC, EEC and Euratom. It requests that none of the clauses of the new Treaty should be capable of being so interpreted as to call in question the future existence, functions or dynamism of the institutions of the European Communities. A special provision must be included in the new Treaty making it clear that the Treaties of Paris and Rome remain unchanged.

The provisions relating to the agenda for the sessions of the Council and its powers of decision must be worded in such a way

as not to prejudice the competence and freedom of action of the institutions of the existing European Communities.

4. The Parliament emphasizes that the aim of the defence and foreign policies pursued by the Union must be to strengthen the Atlantic Alliance.

II. Special provisions.

1. *Name for the Union*

The Parliament points out that the name "Union of States" used in the draft treaty corresponds neither to the spirit nor to the letter of the Declaration of 18 July issued after the meeting in Bonn. The communiqué referred to a Union of the Peoples of Europe. The tenor of the new treaty must be concordant with the text of this communiqué.

2. *Institutions of the Union*

Conscious of the multiplicity of institutions already existing in the sphere of European organization, the Parliament wishes to avoid aggravating the situation and hopes that the creation of new institutions will be kept to the minimum necessary for the smooth functioning of the Union.

The Parliament does not think that the body of national civil servants, who would be the permanent representatives of the Governments, should be set up as an institution of the Union distinct from the Council whose instrument it must be.

The Parliament is convinced, however, that the appointment of a Secretary-General independent of the Governments and free to choose his staff will be a positive factor in the structure of the Union, provided his functions are clearly defined.

It should be the responsibility of the Secretary-General to see to it that the

Council's decisions are implemented and to keep the Parliament informed, between the annual reports submitted to it by the Council, of the action taken in pursuance of such decisions.

The power of initiative should also be conferred on the Secretary-General.

Should a motion of censure be passed on him by the Parliament at any time, he should be obliged to resign.

3. *Presidency*

The Parliament draws the attention of the Governments to the importance of not making the President's term of office too short, and considers that it should run for a period of not less than six months.

4. *The taking of decisions*

The Parliament is concerned over the excessive rigidity imposed by the rule whereby all decisions must be taken unanimously. It proposes that certain sectors, stages and circumstances should be specified in which decisions will be taken by a simple or qualified majority.

The Parliament suggests that the Council should be able to take decisions on questions of procedure by an absolute majority of the Member States. Any decision as to whether or not a question falls into this category would be subject to the same conditions.

The Parliament further submits to the appreciation of the Governments the suggestion that a clause be inserted to the effect that, should the unanimity rule prevent a decision being taken on any question brought before the Council, the President in office should be empowered to refer that question to the Parliament, asking it to render, within a time-limit set by him, an opinion, which would then be transmitted to the Council.

5. Powers of the Parliament

The Parliament welcomes the extension of its competence provided for it in the draft treaty establishing a Union. In the same spirit as that which prompted the authors of the treaty, it calls the attention of the Governments to the importance of widening its powers, particularly in budgetary matters. These powers should extend not only to the operational expenditure of the Union but also to such expenditure as the Union might incur through financing special projects within the framework of the common defence policy provided for by the draft treaty.

Lastly, the Parliament considers that its approval should be sought for any international Treaties which the Union might think fit to conclude.

6. Methods of appointing the members of the Parliament

The Parliament recalls that in accordance with the Rome Treaty, which provides for its election by direct universal suffrage, it has prepared a draft convention which it has submitted to the Councils of Ministers of the Communities. It now urges that action be taken thereon, and that a time-limit be set within which the first elections shall take place. The Parliament suggests as a reasonable time-limit the initial period of operation of the Union — that is to say three years.

7. The Union of the Peoples of Europe and the European Communities

The Parliament believes that the Union of the Peoples of Europe will, as stated in the Bonn Declaration, give concrete form to the desire for political union already implicit in the Treaties of Rome and Paris. The Parliament is consequently anxious to define the necessary relations between the

European Communities and the new structure. It appreciates the significance, for this particular purpose, of the extension of its own competence to the new fields.

It hopes that the Presidents of the Executives of the Communities will be invited to participate in the meetings of the Council when questions concerning the European Communities are under discussion.

The Parliament proposes that the Governments extend the jurisdiction of the Court of Justice of the European Communities to the new structure, in so far as the interpretation of the Treaty and the provisions governing its application are concerned.

Lastly, the Parliament suggests that the Governments insert into the new Treaty a clause providing that any State acceding to the Communities will be eligible *ipso facto* to join the Union should it apply for membership. No State shall have the right to become a Member of the Union unless it has acceded to the Treaties of Paris and Rome.

8. Revision clause

The Parliament attaches particular importance to the clause providing that the Treaty establishing the Union shall be subjected to a general revision within three years, in order to take account of the experience gained and the progress made. It welcomes the gradual character of the proposed Union and reiterates the hope already expressed that the subsequent stages of development will be defined by the Governments.

The Parliament has already invited the Governments to consider measures for streamlining the European Communities; such as the merging of the Executives which it should be possible to achieve before any revision takes place. The

Parliament draws the attention of Governments to the danger which any indecision as to the future of the Communities might present for the dynamism of economic integration.

The attention of Governments is called to the advisability of providing for regular collaboration between the Governments and the Parliament during the initial years of operation of the Union in order to make effective preparation for a revision of the Treaty. Appropriate formulas should be sought to enable public opinion to be

associated, through the intermediary of the Parliament, with the action taken.

Without prejudice to any later suggestions which it may feel called upon to make, the Parliament proposes that the Governments should consider the possibility, in the future, of appointing the President of the Council from outside the members of the Council. The Parliament believes that the peoples of Europe or their representatives, once the latter are elected by direct universal suffrage, should be associated with his appointment.

Resolution concerning the foundation of a European University

The European Parliament,

Aware of the importance of a European University for fruitful cultural co-operation between the Member States;

Recalling its previous resolutions on the subject;

i) *Notes* that the heads of State or Government, conferring in Bonn on 18 July 1961, decided to make provisions for the founding by Italy of a European University in Florence;

ii) *Regrets* that this decision ignores the proposals of the Euratom Commission, the Interim Committee and above all the European Parliament, for the foundation, within the framework of the Community, of the University provided for in Article 9 (2) of the Treaty establishing Euratom;

iii) *Hopes* now that the measures taken will at least permit the early establishment of the University;

iv) *Requests* that the negotiations aimed at making the University an integral part of the Community should be continued;

v) *Expresses* its satisfaction with the step taken by the Italian Government to provide for the participation of the institutions of the three European Communities (ECSC,

EEC and Euratom) in the Organizing Committee of the European University;

vi) *Hopes* that in the course of its work this Committee will give the fullest consideration to the wishes of the Parliament and of its appropriate Committee, particularly with respect to the universality of the European University, its autonomy and its organization, as well as its administrative and financial management, and hopes in particular that Report No. 40-1960, drafted by the Parliament's Committee will serve as a working basis for the said Organizing Committee;

vii) *Requests* that the draft statute of the European University and the draft convention fixing the financial contributions and arrangements for the participation of the Member States and of the Communities in the intellectual life of the University should be referred to the Parliament before they take effect;

viii) *Instructs* its appropriate Committee to contribute by establishing all suitable contacts, to the creation of a truly European University which will be at the service of young Europeans and of young people from the associated countries and which will help to make the idea of a European Community a reality.

Resolution concerning emergency aid to the Republic of Somalia

The European Parliament,

Deeply concerned by the natural catastrophe which has recently struck the Republic of Somalia and its people;

Reaffirming the solidarity which binds the European Community to the associated countries;

Trusts that the EEC Commission will use

all means available to assist the early recovery of the economy of Somalia and to make good the damage suffered by the Somali people;

Requests the EEC Council to examine the possibility of granting the Republic of Somalia financial aid on a scale commensurate with the catastrophe which has afflicted this associated State.

ANNEX II

Composition of the Consultative Committee set up under Regulation No. 15 (Article 28) on the first steps to ensure the free movement of workers in the Community

List of members

GOVERNMENT REPRESENTATIVES

Belgium

M. O. Missotten	Adviser, Employment Branch	Ministry of Labour, Brussels
M. W. Peeters	Adjunct-adviser, Employment Branch	Ministry of Labour, Brussels
Mme C. Gilon (1)	Conseiller-adjoint, Employment Branch	Ministry of Labour, Brussels

Germany (Fed. Rep.)

M. Kurt Breull	Ministerialrat	Federal Ministry of the Interior, Bonn
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(1) Alternate.

M. Helmut Zöllner (1)	Leitender Verwaltungsdirektor	Federal Office of Employment and Unemployment Insurance, Nuremberg
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France

Mlle H. Legrand	Sous-Directeur, Employment and Immigration Control	Ministry of Labour, Paris
M. Cantan	Administrateur civil	Ministry of the Interior, Paris
M. Dort (1)	Administrateur civil	Ministry of Health, Paris

Italy

M. Angelo Altarelli	Direttore generale, Employment Branch	Ministry of Labour and Social Welfare, Rome
M. Walter Macotta	Vice Direttore generale, Emigration Branch	Ministry of Foreign Affairs, Rome
M. Rosario Purpura (1)	Direttore generale, Industrial Relations Branch	Ministry of Labour and Social Welfare, Rome

Luxembourg

M. Paul Wilwertz	Directeur	National Labour Office, Luxembourg
M. Fernand Ewen	Secrétaire d'Administration	Ministry of Labour and Social Security, Luxembourg
M. Ernest Quaring (1)	Attaché	Ministry of Economic Affairs, Luxembourg

Netherlands

M. D.R. Mansholt	Directeur-Generaal for Employment	Ministry of Social Affairs and National Health, The Hague
M. P. Knop	Directeur, National Employment Office	Ministry of Social Affairs and National Health, The Hague
M. J.W.S. Pabon (1)	Head, International Labour Market and Emigration Branch, National Employment Office	Ministry of Social Affairs and National Health, The Hague

TRADE UNION REPRESENTATIVES

Belgium

M. H. Kuylen	Assistant Secretary	Federation of Christian Trade Unions, Mortsel (Antwerp)
M. A. Celen	Attaché, Research Dept.	F.G.T.B., Brussels
M. J. Doeraene (1)	Head, Foreign Workers Dept.	F.C.T.U., Brussels

(1) Alternate.

Germany (Fed. Rep.)

M. Walter Henkelmann	Head of Section	Deutscher Gewerkschaftsbund, Düsseldorf
M. August Weimer	Member of the Executive	Stone and Earths Trade Union, Frankfurt/Main
M. Arthur Hartmann ⁽¹⁾	Referent	Deutsche Angestelltengewerkschaft, Hamburg

France

M. Schaffauser	Secretary	C.F.T.C., Paris
M. Louet	Secretary	C.G.T.F.O., Paris
M. Blaise ⁽¹⁾	Secretary-General	Agricultural Workers' Union, Paris

Italy

M. Giovanni Canini	Secretary	C.I.S.L., Rome
M. Franco Simoncini	National Secretary	U.I.L., Rome
M. Cesare Del Piano ^{(1) (2)}	Head of the Agricultural Section	C.I.S.L., Rome

Luxembourg

M. René Hengel	National Secretary	Fédération nationale des ouvriers du Luxembourg (LAV), Luxembourg
M. Marcel Knauf	Regional Secretary	Fédération nationale des ouvriers du Luxembourg (LAV), Luxembourg
M. Jean Klein ⁽¹⁾	Secretary	Confédération luxembourgeoise des syndicats chrétiens, Luxembourg

Netherlands

M. W. van Tilburg	Secretary	Nederlands Verbond van vakverenigingen, Amsterdam
M. P. Tjeerdsma	Secretary	Christelijk Nationaal Vakverbond, Utrecht
M. P.J.J. van Hout ⁽¹⁾	Secretary	Nederlandse Katholieke Arbeidersbeweging, Utrecht

⁽¹⁾ Alternate.

⁽²⁾ Replacing M. Appio Claudio Rocchi, Confederazione Italiana Sindacati Lavoratori, who has resigned.

EMPLOYERS' REPRESENTATIVES

Belgium

M. A. Verschueren	Director	Fédération des industries belges, Brussels
M. F. Lardot	Director	Alliance agricole belge, Brus- sels
M. P. Magos (1)	Conseiller	Fédération des industries belges, Brussels

Germany (Fed. Rep.)

M. Hans-Georg Schuette	Director	Ahlmann-Carlshütte, Rendsburg
M. Karl Wilhelm Herbst	Head of Section	Bundesvereinigung der Deut- schen Arbeitgeberverbände, Cologne
M. Friedhelm Fabers (1)	Referent	Bundesvereinigung der Deut- schen Arbeitgeberverbände, Cologne

France

M. Laroche		Fédération nationale des exploi- tants agricoles, Paris
M. Materon	Deputy Delegate General	Fédération du bâtiment, Paris
M. Lemaire Audoire (1)	Chairman	Fédération nationale du com- merce et des industries ali- mentaires, Paris

Italy

M. Mario Milano	Head, Vocational Training, technical assistance and em- ployment section	Confederazione generale del- l'industria italiana, Rome
M. Giuseppe Misserville	Head, International affairs section	Confederazione generale della agricoltura italiana, Rome
M. Manlio Lo Vecchio Musti (1)	Director, Trade union affairs	Confederazione generale italia- na del commercio e del turismo, Rome

Luxembourg

M. Marcel Wagner	Chief, Personal Dept.	ARBED, Luxembourg
M. Ferdinand Weyler	Vice-President	Chambre des métiers, Luxem- bourg
M. Egide Beissel (1)	Head, Legal and Social Ser- vices Dept.	Société minière et métallurgi- que de Rodange, Rodange

(1) Alternate.

Netherlands

M. J.W. Janssen	Secretary	Centraal Sociaal werkgeversverband, The Hague
M. HH. de Klerk	Secretary	Verbond van protestants-christelijke werkgevers in Nederland, The Hague
M. N.A. Vaandrager	Secretary (1)	Koninklijk Nederlands Landbouw Comité, The Hague

Composition of the Technical Committee set up under Regulation No. 15 (Article 36) on the first steps to ensure the free movement of workers in the Community

List of members

Belgium

M. O. Missotten	Adviseur, Employment Branch	Ministry of Labour, Brussels
M. W. Peeters (1)	Adjunct-adviseur, Employment Branch	Ministry of Labour, Brussels

Germany (Fed. Rep.)

M. Helmut Zöllner	Leitender Verwaltungsdirektor	Federal Office of Employment and Unemployment Insurance, Nuremberg
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France

Mlle H. Legrand	Sous-Directeur, Employment and Immigration Control	Ministry of Labour, Paris
M. Cantan (1)	Administrateur civil	Ministry of the Interior, Paris

Italy

M. Angelo Altarelli	Direttore generale, Employment Branch	Ministry of Labour and Social Welfare, Rome
M. Rosario Purpura (1)	Direttore generale, Industrial Relations Branch	Ministry of Labour and Social Welfare, Rome

Luxembourg

M. Paul Wilwertz	Directeur	National Labour Office, Luxembourg
M. Fernand Ewen (1)	Secrétaire d'Administration	Ministry of Labour and Social Security, Luxembourg

Netherlands

M. P. Knop

Directeur, National Employment Office

Ministry of Social Affairs and National Health, The Hague

M. J.W.S. Pabon ⁽¹⁾

Head, International Labour Market and Emigration Branch, National Employment Office

Ministry of Social Affairs and National Health, The Hague

(¹) Alternate.

PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

A. List of publications concerning the activities of the European Economic Community appearing in the official gazette of the European Communities from 22 December 1961 to 22 January 1962

EUROPEAN PARLIAMENT

Written questions and answers

Question écrite n° 62 de M. Martin Schmidt à la Commission de la C.E.E. Objet : Coopératives agricoles dans le marché commun (No. 62 by M. Martin Schmidt to the Commission of the EEC. Subject : Agricultural co-operatives in the Common Market) No. 85, p. 1637/61

Question écrite n° 64 de M. van der Goes van Naters à la Commission de la C.E.E. Objet : Aide à la Somalie à la suite des inondations (No. 64 by M. van der Goes van Naters to the Commission of the EEC. Subject : Flood relief for Somalia) No. 1, p. 2/62

Question écrite n° 60 de M. Vals au Conseil de la C.E.E. Objet : Association à la C.E.E. des pays indépendants de la zone franc du royaume de Libye (No. 60 by M. Vals to the Council of the EEC. Subject : Association of the independent franc-area countries and the kingdom of Libya with the EEC) No. 5, p. 105/62

Question écrite n° 65 de MM. Fohrmann et Krier à la Commission de la C.E.E. Objet : Part du revenu brut du travail salarié dans le revenu national luxembourgeois (No. 65 by MM. Fohrmann and Krier to the Commission of the EEC. Subject : Proportion of gross income of wage-earners in Luxembourg's national income) No. 5, p. 106/62

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Règlement portant modification des dispositions des articles 20, paragraphe 2; 40, paragraphe 5; et 42, paragraphe 3, du règlement n° 3 concernant la sécurité des travailleurs migrants (Regulation amending the provisions of Articles 20, paragraph 2; 40, paragraph 5; and 42, paragraph 3, of Regulation No. 3 concerning the Social Security of Migrant Workers) No. 86, p. 1649/61

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Décision portant remplacement d'un membre démissionnaire du comité du Fonds social européen (Appointment of a successor to a member of the Committee of the European Social Fund who has resigned) No. 85, p. 1644/61

Décision portant suspension temporaire de certains droits du tarif douanier commun (Decision temporarily to suspend certain duties of the common customs tariff)	No. 85, p. 1644/61
Budget rectificatif et supplémentaire de la Communauté économique européenne pour l'exercice 1961 (Draft supplementary and amended budget of the European Economic Community for the financial year 1961)	No. 2, p. 17/62
Programme général pour la suppression des restrictions à la libre prestation des services (General programme for the abolition of restrictions on the freedom to supply services)	No. 2, p. 32/62
Programme général pour la suppression des restrictions à la liberté d'établissement (General programme for the abolition of restrictions on the freedom of establishment)	No. 2, p. 36/62
Décision du Conseil en date du 18 décembre 1961 portant suspension temporaire de certains droits du tarif douanier commun (Council decision of 18 December 1961 temporarily to suspend certain duties of the common customs tariff)	No. 2, p. 47/62
Décision du Conseil en date du 18 décembre 1961 portant suspension temporaire du droit du tarif douanier commun pour le divinylbenzène de la position tarifaire ex 29.01 D VI (Council decision of 18 December 1961 temporarily to suspend the duty in the common customs tariff for divinylbenzene, tariff heading ex 29.01 D VI)	No. 2, p. 49/62
Décision du Conseil en date du 18 décembre 1961 visant à l'introduction de certaines modifications au tarif douanier commun (Council decision of 18 December 1961 to introduce certain changes in the common customs tariff)	No. 2, p. 50/62

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I. La situation d'ensemble (I. The overall economic situation)	No. 4, p. 85/62
II. Les perspectives d'évolution dans les pays de la Communauté (II. The situation in each of the Community countries)	No. 4, p. 86/62
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Directives and Decisions

- Décision de la Commission portant octroi d'un contingent tarifaire à la république fédérale d'Allemagne pour le 6-alpha-méthylprednisolone (Commission decision to grant a tariff quota to the Federal Republic of Germany for 6-alpha-methylprednisolone) No. 83, p. 1606/61
- Décision de la Commission portant octroi de contingents tarifaires à la République italienne pour des produits destinés à la fabrication du caoutchouc synthétique (Commission decision to grant tariff quotas to the Republic of Italy for products for the manufacture of synthetic rubber) No. 83, p. 1607/61
- Décision de la Commission portant prolongation de la durée de la validité et augmentation du volume de contingents tarifaires octroyés à la République italienne pour certains produits chimiques de base (Commission decision to extend the period of and increase tariff quotas granted to the Republic of Italy for certain basic chemicals) No. 83, p. 1608/61
- Décision de la Commission portant augmentation du volume du contingent tarifaire octroyé à la République italienne pour l'éthylbenzène (Commission decision to increase the tariff quota granted to the Republic of Italy for ethylbenzene) No. 83, p. 1609/61
- Décision de la Commission portant autorisation d'une augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le ferro-vanadium (Commission decision authorizing an increase in the tariff quota for ferro-vanadium granted to the Kingdom of the Netherlands) No. 83, p. 1610/61
- Décision de la Commission portant autorisation au royaume de Belgique d'introduire un contingent tarifaire pour le plomb brut (Commission decision authorizing the Kingdom of Belgium to introduce a tariff quota for unwrought lead) No. 83, p. 1611/61
- Décision de la Commission portant autorisation à la république fédérale d'Allemagne d'introduire un contingent tarifaire pour le plomb brut (Commission decision authorizing the Federal Republic of Germany to introduce a tariff quota for unwrought lead) No. 83, p. 1612/61
- Décision de la Commission portant autorisation à la république fédérale d'Allemagne d'introduire un contingent tarifaire pour le zinc brut (Commission decision authorizing the Federal Republic of Germany to introduce a tariff quota for unwrought zinc) No. 83, p. 1612/61
- Décision de la Commission portant autorisation à la république fédérale d'Allemagne d'introduire un contingent tarifaire pour l'aluminium brut (Commission decision authorizing the Federal Republic of Germany to introduce a tariff quota for unwrought aluminium) No. 83, p. 1613/61

- Décision de la Commission portant octroi d'un contingent tarifaire à la république fédérale d'Allemagne pour les déchets d'aluminium (Commission decision to grant a tariff quota to the Federal Republic of Germany for aluminium waste) No. 83, p. 1614/61
- Décision de la Commission portant octroi d'un contingent tarifaire à l'Union économique belgo-luxembourgeoise pour les déchets d'aluminium (Commission decision to grant a tariff quota to the Belgo-Luxembourg Economic Union for aluminium waste) No. 83, p. 1615/61
- Décision de la Commission portant autorisation au royaume des Pays-Bas d'introduire un contingent tarifaire pour le plomb brut (Commission decision authorizing the Kingdom of the Netherlands to introduce a tariff quota for unwrought lead) No. 83, p. 1616/61
- Décision de la Commission portant octroi d'un contingent tarifaire au royaume des Pays-Bas pour les déchets d'aluminium (Commission decision granting a tariff quota to the Kingdom of the Netherlands for aluminium waste) No. 83, p. 1617/61
- Décision de la Commission portant autorisation au royaume des Pays-Bas d'introduire un contingent tarifaire pour le zinc brut (Commission decision authorizing the Kingdom of the Netherlands to introduce a tariff quota for unwrought zinc) No. 83, p. 1618/61
- Décision de la Commission portant autorisation d'une augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le ferro-tungstène (Commission decision authorizing an increase in the tariff quota for ferro-tungsten granted to the Kingdom of the Netherlands) No. 83, p. 1619/61
- Décision de la Commission portant autorisation d'une augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le plomb brut (Commission decision authorizing an increase in the tariff quota for unwrought lead granted to the Kingdom of the Netherlands) No. 83, p. 1620/61
- Décision de la Commission portant autorisation d'une augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le zinc brut (Commission decision authorizing an increase in the tariff quota for unwrought zinc granted to the Kingdom of the Netherlands) No. 83, p. 1621/61
- Décision de la Commission portant autorisation d'une augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le ferro-silicium (Commission decision authorizing an increase in the tariff quota for ferro-silicon granted to the Kingdom of the Netherlands) No. 83, p. 1622/61
- Décision de la Commission portant autorisation d'une augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le ferro-silico-manganèse (Commission decision authorizing an increase in the tariff quota for ferro-silico-manganese granted to the Kingdom of the Netherlands) No. 83, p. 1624/61

Décision de la Commission prorogeant la décision prise le 18 mai 1961 qui dispense l'Italie au titre de l'article 226 du Traité, de l'application des articles 33 du Traité et 7 de la décision d'accélération en ce qui concerne l'importation de vin (Commission decision maintaining in effect the decision taken on 18 May 1961 which releases Italy, under Article 226 of the Treaty, from applying Article 33 of the Treaty and Article 7 of the speed-up decision as regards the importing of wine)

No. 85, p. 1647/61

Recommendations and Opinions

Recommandation de la Commission adressée aux Etats membres relative au traitement tarifaire applicable aux marchandises réimportées en suite d'exportation temporaire pour transformation, ouvrason ou réparation (Recommendation by the Commission to the Member States concerning the tariff treatment applicable to goods re-imported after temporary export for processing, working or repair)

No. 3, p. 79/62

Recommandation de la Commission adressée aux Etats membres en vertu des articles 155 et 115 au sujet du régime d'exportation à appliquer vers les pays tiers pour certains types de peaux brutes à l'occasion de la mise en application des dispositions de l'article 34 du Traité (Recommendation by the Commission to the Member States pursuant to Articles 155 and 115 on the export system to be applied to non-member countries for certain kinds of raw hides and skins when the provisions of Article 34 of the Treaty are applied)

No. 5, p. 108/62

Recommandation de la Commission adressée aux Etats membres en vertu des articles 155 et 115 au sujet du régime d'exportation à appliquer vers les pays tiers pour les bois à l'occasion de la mise en application des dispositions de l'article 34 du Traité (Recommendation by the Commission to the Member States pursuant to Articles 155 and 115 on the export system to be applied to non-member countries for wood when the provisions of Article 34 of the Treaty are applied)

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Résultats des appels d'offres n° 100 et 137 lancés respectivement par la république du Sénégal et la République centrafricaine (Results of calls for tender Nos. 100 and 137, issued by the Republic of Senegal and the Central African Republic respectively)

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Avis d'appel d'offres n° 166 lancé par la république du Mali pour un projet financé par la C.E.E. - Fonds européen de développement (Notice of call for tender No. 166, issued by the Republic of Mali for a project financed by the EEC/European Development Fund)

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Avis d'appel d'offres n° 168 lancé par la République malgache pour un projet financé par la C.E.E. - Fonds européen de développement (Notice of call for tender No. 168, issued by the Malagasy Republic for a project financed by the EEC/European Development Fund)	No. 2, p. 55/62
Avis d'appel d'offres n° 169 lancé par le territoire des Comores pour un projet financé par la C.E.E. - Fonds européen de développement (Notice of call for tender No. 169, issued by the Territory of the Comores for a project financed by the EEC/European Development Fund)	No. 2, p. 56/62
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Avis d'appel d'offres n° 170 lancé par la République malgache pour un projet financé par la C.E.E. - Fonds européen de développement (Notice of call for tender No. 170, issued by the Malagasy Republic for a project financed by the EEC/European Development Fund)

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Avis d'appel d'offres n° 171 lancé par la République du Niger pour un projet financé par la C.E.E. - Fonds européen de développement (Notice of call for tender No. 171, issued by the Republic of Niger for a project financed by the EEC/European Development Fund)

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COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Judgements

Arrêt de la Cour dans l'affaire 12/61 (recours d'un fonctionnaire du secrétariat des Conseils contre les Conseils C.E.E. et C.F.E.A.) [Judgement of the Court in case 12/61 (proceedings instituted by an official of the Councils against the Councils of EEC and EAEC)]

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Arrêt de la Cour dans l'affaire 7/61 (recours de la Commission C.E.E. contre le gouvernement de la République italienne) [Judgement of the Court in case 7/61 (proceedings instituted by the EEC Commission against the Government of the Republic of Italy)]

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CORRIGENDA

Rectificatif au règlement portant modification des dispositions des articles 20, paragraphe 2; 40, paragraphe 5; et 42, paragraphe 3, du règlement n° 3 concernant la sécurité sociale des travailleurs migrant (Journal officiel des Communautés européennes n° 86 du 31-12-1961) [Corrigendum to the Regulation amending the provisions of Articles 20, paragraph 2; 40, paragraph 5; and 42, paragraph 3, of Regulation No. 3 concerning the Social Security of Migrant Workers (official gazette No. 86 of 31-12-1961)]

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B. List of official publications recently issued by the European Community.

Special publication

Studies. — Series on agriculture

No. 3/1961

G. Schmitt: "Méthodes et possibilités d'établissement des projections à long terme pour la production agricole" (Methods and possibilities of drawing up long-term projections for agricultural production); 1961, 80 pages (French and German)

No. 5/1961

“L'augmentation de la production de la viande bovine dans les pays de la C.E.E. — Etude sur les possibilités techniques et les conditions économiques” (Raising production of beef and veal in the EEC countries — Study on the technical possibilities and economic conditions); 1961, 215 pages (French and German)

Periodical publications

Graphiques et notes rapides sur la conjoncture dans la Communauté (Notes and graphs on the economic situation in the Community), No. 12/1961. Bilingual : French-Italian; German-Dutch

Bulletin des acquisitions. Bibliothèque de la Commission de la Communauté économique européenne (List of recent additions. Library of the Commission of the European Economic Community). Bi-monthly : No. 19/1961

Joint Press and Information Service

Publications by the offices in the capital cities :

- Bonn : Europäische Gemeinschaft (weekly)
- The Hague : Europese Gemeenschap, No. 34, January 1962
- Paris : Communauté européenne, No. 1, January 1962
- Rome : Comunità Europea, No. 12, Dicembre 1961
- London : European Community, No. 9, December 1961
- Washington : European Community, No. 50, November 1961

Statistical Office of the European Communities

- Bulletin général de statistiques, No. 1/1962 (General Statistics) published in French-German and Dutch-Italian
- Commerce extérieur : Statistique mensuelle, No. 1/1962. Bilingual : French-German (Foreign trade monthly statistics)
- Commerce extérieur : Tableaux analytiques — Export 1960. Bilingual : French-German (External trade : Analytical tables — Exports 1960)
- Commerce extérieur des associés d'outre-mer (AOM) — Import 1960. Bilingual : French-German (Foreign trade of the overseas associates (AOM) — Imports 1960)
- Basic statistics. Published in 4 languages : Dutch-French-German-Italian
- Statistiques sociales, No. 3/1961, “Coût de la main-d'œuvre dans les pays de la C.E.E.”. Published in 4 languages : Dutch-French-German-Italian (Social statistics, “Cost of labour in the EEC countries”)
- Statistiques industrielles, No. 1/1962, French-German (Industrial statistics)

