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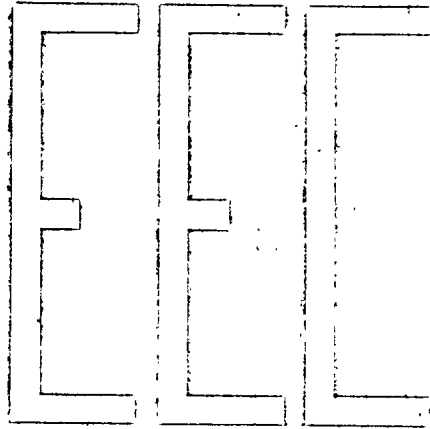
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# The European Social Fund : the first phase

by M. Lionello Levi-Sandri

Member of the EEC Commission

It is a little more than two years since the entry into force of Regulation No. 9 on the European Social Fund. The interest aroused at the time by the birth of the new institution was certainly not entirely divorced from the inherent attractiveness of the idea of "a Fund" and the fortunate circumstance that Regulation No. 9 was one of the very first measures implementing the social provisions of the Treaty of Rome; but there is also no doubt that certain essentially political factors helped considerably to attract attention. It should not be forgotten, for example, that the Fund was intended to function as an instrument for redistributing Community income, in the sense that it would set up a steady flow of finance from the higher employment and income areas to those where unemployment and structural underemployment still hamper a fairer distribution of general prosperity. Here was tangible evidence of the feeling of solidarity which informed and still informs the countries of the EEC, and as such it made the Fund a matter of general interest.

Now that the initial phase of the Fund's activity can be considered as complete, an analysis of the practical results so far obtained is useful not only because it confirms the value of this new institution but also because it will provide valuable information with which to adapt the Fund's operations more closely to the requirements of Community policy in the future.

Obviously, accounting and administration cannot be omitted from a review of the Fund's activity. The recent closure of the annual accounts provides a good opportunity to outline the general situation on the basis of concrete and final figures.

At 31 December 1962, applications for contributions submitted to the Fund totalled more than 36.5 million units of account, of which 29 million were for vocational re-training and about 7.5 million for resettlement. The expenditure incurred had been defrayed by either the central Governments, decentralized public authorities, or public corporations. In accordance with Article 18 of Regulation No. 9, the Commission has already compiled a first list of these corporations which will shortly be brought up to date.

These figures cover only five of the six member countries, since Luxembourg has so far made no application for refunds. The figures show that the bulk of the refunds applied for by the five countries concerned have been for expenditure on re-training operations; this is explained not only by the greater number of schemes of this kind financed but also by the fact that per capita expenditure on re-training is generally much greater than on resettlement. Resettlement can be either within one country, or from one country to another within the Community, but the great majority of these schemes concern Italian workers re-employed in the other five countries. No application has been submitted by Italy for resettlement within the country.

Despite the Fund's initial teething troubles, more than 17 million units of account — about 47 % of the total sum applied for — has already been examined and decided on by the Commission.

This examination, which only began in the second half of 1961 — when the first batch of applications had reached the Fund — was carried out by the Commission's staff along scrupulously uniform lines, notwithstanding the wide variety of methods used by the different countries in presenting their applications. First and foremost, this called for a painstaking sifting of the documents sent in and the gradual development of an examination technique affording the fullest assurance that the applications themselves complied with the rules laid down. For this purpose, the examination of the documents was always completed by a sample survey carried out within the government departments to check on the spot that the expenditure qualifying for reimbursement had actually been effected and was justified. As a result a considerable proportion of the application examined — equivalent to 28 % of total expenditure — could not be taken into consideration because examination or checking on the spot had revealed infringements of the rules ranging from ordinary slips and clerical errors to misinterpretations of the Regulation. This was largely due to a lack of experience in this matter in the government departments and to the fact that these had had to draw up the documents post facto, since the schemes had been carried out before any specific Community rules were agreed upon.

In fact the applications examined cover only operations in 1958-59, prior therefore to the entry into force of Regulation No. 9. It should be added, however, that much has already been done to overcome these difficulties, thanks to the standard application forms devised by the Commission and to the gradual adaptation of government departments to their new duties under the Community rules.

Of the total applications examined, the Commission decided in 1962 on the reimbursement of more than twelve million units of account as a contribution to the expenditure incurred in the five countries to provide new productive employment for about 183 000 unemployed workers.

Of the total sum approved about eleven and a half million units of account was for schemes to re-train more than 103 000 workers in the various member countries, and a little more than 800 000 units of account for resettlement schemes for about 80 000 Italian workers re-employed (48 000 in France, 27 000 in Germany and 4 000 in the Benelux countries).

When the percentages for the apportionment of contributions to the Fund's expenditure as fixed by Article 200 of the Treaty are applied to the total figures the debit and credit situations of the individual Member States at the end of 1962 are as follows :

	Credit		Debit
Italy	1 274 839 u.a.	Germany	1 933 464 u.a.
France	691 266 u.a.	Belgium	620 257 u.a.
Netherlands	612 200 u.a.	Luxembourg	24 584 u.a.
	<u>2 578 305 u.a.</u>		<u>2 578 305 u.a.</u>



The balance-sheet of the Fund's activity therefore shows an actual transfer of incomes of over 2.5 million units of account from Germany, Belgium and Luxembourg to Italy, France and the Netherlands. It is interesting to note that about half this figure goes to Italy, where unemployment has been particularly high, especially in the period covered by the refund applications.

Applications now under scrutiny total about 20 million units of account, of which more than 16 million concern re-training and more than 3 million resettlement schemes. A large proportion of these applications will be approved this year. More than 25 million units of account are available for this purpose. In addition a further sum of about 18 million units of account will be placed at the Fund's disposal to cover applications submitted this year.

This, then, in broadest outline, is the situation at the end of the European Social Fund's first period of activity. Effective work has been done, which has confirmed the usefulness of this Community instrument, even if the psychological impact of the results obtained may seem blurred by the fact that the Fund's contributions are made after schemes have been completed, and do not therefore attract the limelight. Be that as it may, these results are all the more praiseworthy since they have been achieved despite the inevitable administrative complications with which the Commission's staff and the government departments have had to cope before finalizing a procedure involving maximum effectiveness and simplicity. Credit for solving these difficulties goes largely to the Committee of the Fund, which has given the Commission valuable aid in all aspects of its activity in this field.

In view of the period covered by the applications scrutinized, it is still too early to say what impact the Fund's work has had on national employment policies. None the less, the experience gained, incomplete though it is, has provided the Commission with a certain amount of useful information and guidance, some of which has already served in drafting an amendment to Regulation No. 9, submitted to the Council last September. The main feature of this draft — on which the European Parliament and the Economic and Social Committee recently gave favourable opinions — is its limited and pragmatic approach.

It constitutes what might be called a "little reform". Pending fuller information, the Commission has deliberately restricted this first provision so that the amendments proposed affect neither the principles nor the structure of the Fund; their only objective is to provide practical solutions to the technical difficulties or the problems of interpretation met with by the Fund's staff or by the government departments when applying certain clauses of Regulation No. 9.

In addition, the results obtained supply other pointers which must be taken into account if the Fund's activity is to be steadily adapted to the changing requirements of social and economic development in the Community. In this connection, it is surprising that no country has submitted applications for contributions to conversion schemes. Though business was booming during the first stage of European integration, it would be rash to assume that no measures have been taken in the member countries for industrial conversion with financial aid from public funds. This being so, the question arises

whether the procedure and contribution arrangements in this matter laid down in Regulation No. 9 were not based on circumstances which no longer obtain, and whether they should not be re-examined in the light of more up-to-date and realistic considerations. Similarly, though it is true that the automatic nature of the Fund's aid is a constant source of encouragement for the individual countries, it is also true that it is not always equal to particular critical and sometimes unexpected situations arising, in certain Community areas, so much so that if the national or local authorities fail to act or lack the means to act, the Fund's efforts, too, may be wasted or inadequate to counter actual or potential imbalances.

There is no doubt that the Social Fund can only be fully effective if Community institutions are given a power of initiative in this field enabling them not only to remedy any imperfections in arrangements as they now stand, but also to channel part of the Fund's contributions towards the more urgent social needs arising in the process of European integration, or else to those schemes which cannot be realized without a broader approach or a bolder design than is possible within the confines of national needs and traditions, or again to schemes whose benefits extend beyond national frontiers.

Already ideas and suggestions along these lines have come from several quarters: some people would like the Fund to be given new tasks and, in particular, they stress its usefulness for tackling problems connected with the common agricultural policy and the regional development policy; others play down its basic task of providing automatic refunds and, in more general terms, would like to see the Fund given the right to carry out certain schemes sponsored at Community level.

Obviously, if the Fund is to develop in this direction, essentially political problems lying outside the administrative sphere would arise. However, the Commission is resolved to neglect no opportunity to further the gradual extension of the Fund's powers. In its *Memorandum on the Action Programme for the Second Stage*, it has made this intention clear. In fact this is already being done — at least in so far as the interpretation of the rules in force allows, as for example with regard to the concept of the underemployed worker, which the Committee of the Fund has been called on to define with a view to the full application of Article 2 of the Regulation. On the basis of the widest possible interpretation of this concept, the Commission hopes to be able effectively to widen the scope of the Regulation, so as to be able to make more use of the Fund's resources to help areas, trades and occupations, or sectors of activity in difficulties.

Regulation No. 9 itself provides an opportunity for extension of this kind: Article 1 lays down that the Council may vest new tasks in the Fund, particularly with a view to the implementation of a common vocational training policy. The application of this provision, for which the Commission intends to submit concrete proposals to the Council during the second stage, would enable the Social Fund's future activity to be fitted into the long-term perspectives of Community policy, and this would solve the conflict arising from the ambitious objectives fixed for the Fund in Article 123 of the Treaty and the limited means of action conferred on it by Article 125.

# I. Debate on the interruption of the negotiations with the United Kingdom

The European Parliament devoted two days of its plenary session from 4 to 8 February 1963, with M. Gaetano Martino presiding, to a political debate which was opened by a statement from M. Hallstein, President of the EEC Commission, on the negotiations for the accession of the United Kingdom to the Community and the causes of their interruption.

At the close of the debate two resolutions were passed <sup>(1)</sup>.

Representatives of the European Atomic Energy Community and of the ECSC, two Ministers, and 21 members of the European Parliament spoke in the debate, which was attended by almost all members. Most speakers approved President Hallstein's statement and deplored the circumstances in which the negotiations had been interrupted. It was their opinion that the decision of the President of the French Republic was based on considerations extraneous to the purpose of the negotiations. Many speakers saw a connection between the interruption of the talks and the signature of the Franco-German treaty. Some doubted whether an agreement on advance consultation, which could distort the operation of Community rules, was to be welcomed.

All speakers, including those of the UNR-UDT group, hoped that European integration would continue despite the crisis of confidence which had arisen amongst the Member States. Many urged that the Community should preserve its open, supranational and democratic character.

The Parliament heard with great interest M. Hallstein's statement in which, after describing the substance and the course of the negotiations, he gave an account of the part the Commission had played. He drew some conclusions from the situation which had arisen after their interruption, and made a general assessment of the problems to be faced in the immediate future.

## a) **Statements by Ministers**

After a brief adjournment, M. Luns, the Minister of Foreign Affairs of the Netherlands and a member of the ministerial conference, took the floor. He outlined the questions still in abeyance when the negotiations were interrupted and said that the problems involved could have been solved. He spoke of the surprising and abrupt manner in which the French Government had unilaterally taken a decision, disregarding the wish of all its partners to bring the negotiations to a successful conclusion. In his view that decision was the outcome of a very special view of France's place in the world.

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<sup>(1)</sup> The texts of President Hallstein's statement and of the parliamentary resolutions were published in Bulletin No. 2/63.

Going into the substance of the problem, the Netherlands Minister described Europe as his country saw it.

“For the Netherlands, Europe is not a continental Europe from which Britain is to be excluded. Britain has been, is, and always will be an integral part of Europe. Membership in the European Communities must not be made conditional on either the United Kingdom or any other free country of Europe turning its back on our partners beyond the seas or cutting historical links and affinities with the United States of America.”

“Nor do we want a Europe entrenched within its own boundaries, whose ultimate economic wisdom would be to reach complete self-sufficiency.”

“Nor, finally, do we want a Europe which, turning away from its friends, seeks adventure in a chimerical independence which in the world of today is as illusory as it is dangerous...”

M. Fayat, who was chairman of the conference at the time of its interruption, also described the stage reached in the conversations. He said that the agreements reached in the negotiations were reached with the assent of all delegations. The field they covered was so wide that no one could plausibly say the talks were likely to fail.

The Minister then spoke of the significance of the refusal of one delegation to continue the talks, and the repercussions of this on the life of the Community. He said that in the continual discussion going on amongst the Member States to bring about a harmonious merging of legitimate national aspirations for the benefit of the whole, there was necessarily a certain element of balance which must not be neglected. Concessions (especially on agriculture and co-operation with Africa) had been made by certain Member States only on the assumption that Great Britain would join the Community. These countries had therefore been frustrated in their hopes. The speaker went on to illustrate the “European” character of Great Britain.

In conclusion, M. Luns said that the very foundations of the Community and the Community spirit itself were at stake. Naturally the Community would proceed on its way despite what had happened. Nevertheless they must not underestimate the severity of the blow dealt to the Community spirit. The work of the Community could only be continued if it was animated by that spirit and if what had been destroyed by the violence done to that spirit was restored.

#### **b) Statements by the representatives of the High Authority of the ECSC and the Euratom Commission**

The views of the ECSC and EAEC, which were likewise affected by the suspension of the negotiations, were put by M. Malvestiti and M. Sassen.

M. Malvestiti, President of the High Authority of the ECSC, said that the High Authority had always considered that the presence of Great Britain in the ECSC would mean a strengthening of Europe. The Association Agreement of 1954 was a demonstration; it had helped to maintain cordial relations with Great Britain pending the latter's application for membership.

With regard to steel the British had agreed on 22 January at Luxembourg to abolish anything in their system that was incompatible with the provisions of the Treaty of Paris. The problem of coal, however, was still under discussion when the negotiations were interrupted.

M. Malvestiti said that the High Authority would continue to be guided by the ECSC Treaty, which in the terms of its preamble, was intended to lay the foundation for a broader and more far-reaching community among peoples long divided by bloody conflicts and for institutions capable of guiding their henceforward common destiny.

M. Sassen, a member of the Euratom Commission, recalled the statement of 30 January in which the Commission regretted that the situation created on 29 January prevented negotiations in the atomic energy field from being continued, and hoped that closer and more comprehensive co-operation would ensue from the fruitful relations which had developed between the Community and the United Kingdom since the beginning of 1959.

M. Sassen said that when the British request for membership was put forward there appeared to be no difficulties in the nuclear sector comparable with those which had arisen in other fields, and that the accession of Great Britain would mean a great increase of the atomic potential of an integrated Europe. He then turned to the three main subjects of negotiations Britain's contribution to the Community's research programme, the problem of the compatibility with the Treaty of previous agreements concluded by the United Kingdom, and the implications arising from the existence of a military nuclear programme in Great Britain.

M. Sassen went on to describe the main characteristics of the Community, one of which was the absolute equality of all members under the Treaty. Therefore, any supremacy or hegemony was incompatible with the concept and the very existence of such a Community. A common political will was needed to maintain and strengthen the structure of Europe. Everything must be done to enable that will to reassert itself, "so that they may continue together to build Europe".

### **c) The views of the political groups**

At the beginning of the general debate the spokesmen of the groups presented their views.

M. Blaisse (Netherlands), speaking on behalf of the Christian-Democrat group said that his report on the common commercial policy would have to be re-considered in the light of recent events and would be discussed at the March session. He said that the breakdown of the negotiations had caused serious disappointment in his group. It was a case of differing concepts of Europe; the Christian-Democrats wanted an economic and political integration attained by collaboration on the basis of the Treaty. They were in favour of a United States of Europe which would be an open community closely linked with the free Atlantic world. They had no desire to see any independent and neutral third force growing up and they were against any kind of hegemony. Democratic values must not be called into question. M. Blaisse said that they had every confidence that the Commission would achieve European unification on a federal

basis, and he hoped that Great Britain would one day be warmly welcomed as had been urged in the six resolutions on the subject adopted by the European Parliament since 1961.

Consequently, he was in full agreement with the views expressed by the President of the European Commission concerning the Community's relations with the United Kingdom. He had also noted that the President was ready to have Great Britain in Europe as soon as possible, as a full member and on the basis of what they had in common.

"Let us hope", he ended, "that the Community will take the reins firmly in its hands again and get things moving in the right direction".

The views of the Socialist group were expressed by M. Birkelbach (Germany). He regretted both the unilateral manner and the time chosen for breaking off the negotiations with a country whose entry into the Community would have opened broad new prospects for the latter. The Socialists could not allow the Community to deteriorate into a technical organization to do the bidding of the governments — a kind of quartermaster's store for a military third force. The Community must be sovereign and must prevent one or more of its members from gaining preponderance.

The socialist spokesman hoped that the gap separating the Europe of the Six from the United Kingdom would not be widened. An opportunity for resuming contact with that country, could, for example, be provided by a joint study of the problems raised by the Trade Expansion Act.

M. Birkelbach said that they wished to watch over the existence of the Community and to make sure that it continued to function and that the Treaty itself — its rules and the courses it laid down — was respected. They were resolved to uphold the principle of an open Community embraced by Atlantic solidarity. They knew what the Community meant to the eastern bloc, where it was referred to as an economic and political reality. They did not want the Europe they were slowly building day by day to become an instrument of power politics.

Speaking for the Liberal group, M. Maurice Faure (France) said that he, too, felt that the method employed to break off the negotiations was contrary to the European spirit. He believed it to be wrong to cut off Great Britain by a kind of outright veto for political reasons. The economic anxieties raised by British membership would remain almost unchanged if Britain accepted the Treaty as it stood. All this would not have happened if political integration of Europe had been achieved earlier. The signatories of the Franco-German treaty thought that it offered the Europeans a pattern for political union. In fact it was precisely the blind alley which the promoters of the Common Market had sought to escape from. The Common Market was essential if a European political authority was to be created, and the speaker hoped for a political rather than an economic re-invigoration of Europe. The old difficulties would crop up again if the only step in this direction was a treaty of economic association with Britain.

He hoped for a Europe with the highest possible degree of autonomy, but he also believed that if international tension was to be reduced and discussions with Moscow rendered possible, the free world needed to show a united attitude and solidarity in its relations with the rest of the world. No axis, either inside or

outside, should be allowed to compromise everything, most likely to very little profit. It was perhaps by remaining true to this idea that they could now best reap the fruits of the past.

The spokesman for the French UNR-UDT members, M. de la Malène, recalled that he had already spoken in this House against the unduly liberal and free-trade policy which some wished to impose on the Community. Whilst Britain's candidature for membership in the Common Market had not been refused outright, he felt it had been clear since last August that on essential points Great Britain had neither politically nor intellectually made the profound change which was necessary for participation. M. de la Malène said that it was impossible to belong to two or three economic systems at the same time and pointed out that France had not protested when a year ago the Benelux countries refused to follow their partners along the road of political union. He said it would be a pity to sacrifice an economic community to gain a new partner who would not or could not share their concept of Europe.

Four other representatives of the UNR-UDT (M. Terrenoire, M. Briot, M. Comte-Offenbach and M. de Lipkowski) also contended that the interruption of the conference was not due to a "diktat" but to a recognition of facts. They felt it would be wrong to judge the substance of the French decision in the same way as the form. According to these speakers there were unconditional supporters of Great Britain who made British membership a political condition for the further pursuit of European union. The UNR delegates defended the Franco-German treaty as a corner stone for European union; they also spoke in favour of Europe as a third force. From some of the reactions of their colleagues when the position of Europe in the world was discussed, they felt they could discern the beginnings of a European patriotism.

These views, some of which were shared by M. Ferretti (Liberal, Italy) were not on the whole accepted by the other members of the House. The 14th of January, the date of General de Gaulle's press conference, was described as a black day for Europe. The decision of France was an undeserved humiliation of Great Britain. Why had France waited so long to announce it? Why was the decision taken when the negotiations were on the point of succeeding? Was the Community to be governed in future by press conferences? These were questions put by M. Biesheuvel (Christian-Democrat, Netherlands), M. Carcassonne (Socialist, France), de Kinder (Socialist, Belgium), Kapteyn (Socialist, Netherlands) and Nederhorst (Socialist, Netherlands). Most members felt that the reasons for the interruption were unrelated to the negotiations. M. Pleven (Liberal, France) said that the crisis had come when the Community was about to become a political factor of the first order. The President of the French Republic had used the question of British membership in the Common Market to raise the question of the Community's foreign policy in general. He laid down, as it were, a prior condition for the geographical extension of the Community. The drama of the situation was that there was no forum in which the Governments of the Six could discuss this problem. The negotiations could not be taken up again until the responsible statesmen held a western summit meeting.

M. Duveusart (Christian-Democrat, Belgium) felt that the French analysis of the Bahamas Conference was behind their decision. He believed that at Nassau Mr. Macmillan had sought to preserve his nuclear independence by treating

unilaterally with the United States. , In such an important matter the United Kingdom, he felt, should have put its future European partners in the picture.

The former Belgian Prime Minister said that major international decisions were always taken in disregard of rules of co-operation (EDC, Suez, Cuba, Bahamas); he felt that something should be done to prevent the affairs of Europe from being settled by another Yalta. Whilst he agreed with many other speakers that there should be no hegemony in Europe, we also had the right to demand that no hegemony should be exercised over Europe.

Without going into any detailed consideration of the designs attributed to General de Gaulle, many other members of the House were hostile to the notion of a more or less insular continental Europe, called upon one day to play the part of a third force in world politics under the leadership of one or two countries. All this, it was frequently said, was incompatible with the characteristics of a supranational, democratic and open Community stressed in particular by M. Luecker (Christian-Democrat, Germany) and M. Biesheuvel.

The Franco-German treaty was mentioned by most speakers. Except for some, including M. Furler (Christian-Democrat, Germany) they generally saw a causal relationship between the interruption of the negotiations and the new agreement between two of the leading Member States of the Europe of the Six.

Nobody doubted the beneficial nature of Franco-German reconciliation (which, it was recalled, had been the main concern of the sponsors of the ECSC). But to some this new agreement seemed either pointless (M. de Kinder) or harmful in that it threatened to change the Community character of the Europe of the Six or might mean the break-up of NATO and the permanent rejection of Great Britain (M. Kapteyn).

M. Dehousse (Socialist, Belgium) wondered whether this treaty was not unlawful. It was disputed whether this form of Franco-German collaboration was conducive to the political union of the Six. Several speakers following M. Faure noted with regret that at any rate not one of the steps taken by the Parliament with a view to political union had met with any success.

Speakers hoped that despite the crisis of confidence which had arisen amongst the Member States European integration would continue and that any idea of obstructing the Community's work by way of reprisals against France would be dropped. M. Margulies (Liberal, Germany) and M. Dehousse were particularly insistent that the associated countries of Africa and Madagascar should not be the victims of a European quarrel, and that the new convention linking these countries with the Community be signed without further delay.

M. Turani (Christian-Democrat, Italy) pointed out that in five years the Community had achieved great economic success and had set up an autonomous structure of its constituent States. The present crisis (which was reminiscent of that over the European Defence Community) could be the starting point for a new drive in Europe. Many members of the House felt that this could with confidence be left to the Commission, pending more favourable circumstances for the extension of the European Community through the inclusion of new members, especially the United Kingdom.

At the close of the debate on M. Hallstein's statement, the European Parliament considered three draft resolutions.



The first, presented by M. Pleven on behalf of the three political groups of the Parliament, requested the Commission to report to the Parliament within three weeks on the state the negotiations had reached on 29 January 1963. This proposal was adopted, the UNR-UDT delegates abstaining. Their spokesman, M. de la Malène, said that the proposal appeared to ignore the terms of the problem and that such a report would multiply by ten the statement presented the previous day by M. Hallstein.

The second draft resolution was put forward by members of the three groups. It had reference to the interruption of the negotiations and was adopted paragraph by paragraph, — the UNR-UDT delegates again abstaining, mainly because they objected to the definition of a United States of Europe as a supranational Community. The debate closed with the adoption of a socialist amendment to the resolution, calling for regular exchanges of views within the conference, so as to facilitate the accession of other States.

The Parliament finally rejected, on a tie of 38 votes to 38 a third draft resolution, standing in the name of the Socialist group and also endorsed by two Netherlands members of other groups. It contained a solemn protest against the method chosen to cause the breakdown just as the course of the negotiations gave rise to the hope that a successful conclusion could be reached. The resolution also expressed the Parliament's conviction that the negotiations had been broken off for reasons which were largely extraneous to the matters under discussion. It ended as follows: "The European Parliament ... rejects as incompatible with the security of Europe any attempt, bilateral or other, which has as its purpose or effect the weakening of the Community machinery and thereby the hegemony of one State or a group of States."

## II. The economic outlook for the Community

Extracts from the speech by M. Marjolin,  
Vice-President of the Commission of the European Economic Community,  
in the European Parliament on 4 February 1963

On 4 February 1963 M. Robert Marjolin, a Vice-President of the EEC Commission, addressed the European Parliament on the economic situation in the Community. Looking back over 1962, M. Marjolin said that the forecasts made a year earlier had been borne out by the results. The gross Community product in terms of volume had risen by about 4.5 %. Industrial production probably increased 6 % in the same period, as opposed to 6.6 % in 1961. The slight loss of momentum was due to the fact that Community exports of goods to non-member countries had advanced little if at all in 1962 and internal demand had grown somewhat more slowly. Fixed investment by industry has climbed less steeply than in 1961 but there had been no slackening in the growth of public investment. All in all, gross fixed capital formation at constant prices had expanded by roughly 5.5 % instead of 9 % in 1961. Expenditure on private consumption, on the other hand, had been an increasingly important factor in economic expansion and intra-Community trade had again expanded much faster than trade with non-member countries.

Owing to the heavy increase in imports (9 % in value), particularly from the United Kingdom (+ 20 %), combined with only slack growth of exports, the Community's balance of trade had deteriorated by something like 1 300 million dollars in comparison with 1961. A fairly large surplus, however, continued to be recorded on current account. Despite advance repayments of public debts abroad the official gold and foreign exchange reserves of the member countries appeared to have mounted by about 580 million dollars in 1962 (as against 1 200 million dollars in 1961).

Trends on the money and capital markets showed somewhat marked changes as compared with the year before.

M. Marjolin then turned to the forecasts for the six member countries in 1963.

### Forecasts for individual member countries

[...]

“In all probability, economic development in the *Federal Republic of Germany* in 1963 will be on much the same scale as in 1962. The gross national product will probably increase from 3.5 to 4 % by volume. As in the previous year, household consumption and public expenditure will be the mainspring of this expansion. By contrast, growth in exports will no doubt be somewhat limited and a tendency towards a decline in the growth of investment by industry is expected to persist. Though imports are likely to increase less rapidly, they will, nevertheless, bring about a further deterioration in the balance of current payments, albeit less significant than in the previous year. Prices are not expected to rise as steeply as in 1962.

Forecasts worked out by the Commission for *France* point once again to further rapid economic expansion: it seems likely that the gross national product will go up 5 % by volume. As in the Federal Republic of Germany, expansion will be due largely to the growth of domestic consumption.

While indications are that public enterprises, to judge from their programmes, will increase their investments substantially in 1963, private industry seems somewhat hesitant about its plans. All things considered, including an appreciable growth in investments by public authorities, gross fixed capital formation should advance at approximately the same pace as in 1962.

External demand might, on the whole, act as a stronger stimulus to the French economy than in 1962, in view of the expected increase in exports to the franc area, which should be relatively higher than last year. Sales abroad, on the other hand, will probably increase to a lesser extent than in 1962. Surpluses on the balance of external payments may be reduced.

Prices remain one of France's main preoccupations. Public authorities will have to give the problem their whole attention and efforts may have to be intensified to curb the rise in the cost of living. While it is not yet certain how food prices will develop, the prospects as regards the cost of manufactured goods and services are still giving cause for concern.

In all probability, economic expansion in *Italy* in 1963 will continue at the present high rate. An increase of around 5.5 to 6 % by volume in the gross national product may be expected if harvests are normal and public investments are stepped up. Since the end of 1961, wages have risen substantially in Italy and this trend will probably continue in 1963, with a consequent sharp increase in household consumption. Exports, on the other hand, may expand less rapidly than in 1962. Growth of investment by industry continues, as for some time past, to be rather sluggish. Public investment will consequently have a particularly important part to play in Italian economic expansion in 1963.

The increase in *the Netherlands'* gross national product in 1963 — approximately 4 % — will be greater than in 1962, thanks partly to increased elasticity in production following a temporary slowdown due to a reduction in the working week. This will make it possible to improve on the 1962 export figures. There is a risk, on the other hand, of a slight drop in internal demand, mainly as a result of the very small increase expected in industrial investment in 1963. Consumption growth is likely to remain at roughly the 1962 rate of some 4 % by volume. The falling-off in internal demand will have relatively strong repercussions on imports, as is normal in an economy as open as that of the Netherlands. In view of anticipated foreign trade trends, the balance on current transactions will show an increase over the 1962 figure.

Economic expansion in *Belgium* in 1963 will be maintained roughly at the 1962 rate. The gross national product is expected to increase by 3 % despite less favourable export prospects and a possible slackening in the growth of investments by industry. The combined effects of these two factors will probably be offset by a more rapid advance in public investment coupled with a slight rise in household consumption, due mainly to higher wages.

It is difficult to forecast economic developments in the *Grand Duchy of Luxembourg* in 1963 with any certainty, since its economy depends to a large extent

on steel exports, particularly to countries outside the Community, and there is no immediate prospect of any appreciable improvement in these exports.

The foregoing comparison of the prospects of the individual countries brings out and confirms a tendency towards an alignment of the business situation in five of the six Community countries; the development of the Luxembourg economy is characterized by special features due, obviously, to its structure. This alignment is not, of course, complete in all fields, nor could it be so until a very advanced stage has been reached in the structural transformation which will be one of the Common Market's principal advantages. A comparison of the situation in the various countries in 1962 and their prospects for 1963 with developments in previous years reveals, however, a growing similarity in the trends of the main economic variables. The differences in range noted from one country to another are still considerable and will remain so for some years to come, but the gradual integration of markets and, to a certain extent, the closer co-ordination of business cycle policies already seem to have eliminated fundamentally opposing trends.

This also implies, as I shall have an opportunity of explaining to you later, a certain uniformity in the problems of economic policy with which public authorities in the Member States have to cope."

### **World economic situation**

M. Marjolin then pointed out that despite the steady growth of intra-Community trade, the world economic situation remained a very important factor. The Community did not feel that demand from non-member countries would greatly stimulate economic activity in the Community in 1963 since the main western industrialized countries would probably follow an active policy of support for their own economic activity.

In the United States expansion could be expected to continue, despite the fears of recession expressed in 1962, but the probable growth rate was not sufficient to warrant a prediction of appreciably higher Community sales to America.

The growth of exports to the United Kingdom was likely to be only moderate. The measures taken by the British Government did not seem likely to speed up economic expansion to any great extent in the very short term.

Moreover, Community exports to the other countries of the European Free Trade Association would probably expand less rapidly than in 1962 and exports to the developing countries could be expected to make only very slight progress because of these countries' lack of foreign exchange.

### **Outlook for the Community in 1963**

[...] "From the preceding survey of the economic prospects of individual member countries you will already have concluded that, *while the growth of demand within the Community will continue to be substantial in 1963, it must, nevertheless, be expected to diminish slightly. This will be especially true of fixed investment by industry.* Even if the influence of certain restraining factors in 1962 diminished in 1963 — if, for instance, there was slight widening of profit margins by comparison with the previous year — such a trend could not be taken as auguring

a stronger propensity to invest. On the other hand, if weather conditions were normal, a fairly steep rise could be expected in investment in building and construction which would partly offset the decline in the growth of investment in capital goods. All in all, the increase in gross fixed capital formation might thus amount to almost 5 % in real terms, or only slightly less than the rate recorded for 1962.

*Consumer expenditure will continue to grow apace in 1963* and will once again be the mainspring of economic expansion. Domestic consumption will increase appreciably, although probably at a slightly slower rate. The upward trend in the wages and incomes in general will doubtless be less marked than in 1962. But, with the more moderate price increases expected, the rate of growth of domestic consumption in real terms will fall only slightly, probably to a little under 5 % as against 5.2 % in 1962. *Public spending*, on the other hand, will continue to rise, even if a little less steeply than in 1962 in some countries.

In view of these overall demand prospects and of the probable slowing down of imports from non-member countries, *the increase in the gross Community product in 1963 might be approximately 4.5 % in volume, that is to say almost as much as in 1962*. Having regard to world prospects, which I mentioned earlier, I think we may consider this forecast as satisfactory. If it materialized it would practically coincide with the average rate of increase which we can hope to attain in the course of the present decade.

### **Outlook for various industries**

Industrial production in the Community may increase by about 5 % as against 6 % in 1962. As in that year, development will vary considerably from sector to sector. In view of the efforts being made to stimulate household consumption, we may assume that, generally speaking, the consumer goods industries will benefit, as in the previous year, from a substantial expansion of the internal market. Judging from tendencies observed over a long period, the latter will, above all, boost the production of consumer durables. Hence there will probably be a further considerable increase in the production of private cars and commercial vehicles, which went up by about 16 % in the Community as a whole in 1962. Similarly, in most of the Community countries, certain branches of the electrical industry will again experience substantial increases in their sales on the internal market. The other consumer goods industries — especially textiles and clothing, leather and footwear — may also receive an appreciable, if less brisk, stimulus from Community markets. It is also highly probable that general economic conditions in 1963 will encourage a further substantial expansion of the chemical and petroleum industries, whose share in total industrial production is growing steadily from year to year.

On the other hand, the fall-off in orders for capital goods apparent in several member countries over the past year or more, and in 1962 already responsible for reducing the growth of output in the mechanical and, to a lesser extent, electrical engineering industries, is likely to make its effects more keenly felt in 1963. Having regard to the state of the order-books, however, the point has not yet been reached where there is a risk of production falling below the 1962 level.

Trends in the processing industries do not foreshadow any notable increase in the output of raw materials or semi-finished products. Broadly speaking, the situation in the latter industries will be much the same as in 1962. There will probably be a slight drop in production in the iron and steel industry; steel consumption in the Community will go on increasing, it is true, but the other elements of demand, particularly exports to non-member countries, will show a downward tendency.

Owing to its being supplanted by other energy sources, there may be a further slight decline in the output of coal.

### **Employment**

Although it is difficult to make forecasts about employment, it seems safe to say, in view of the economic expansion expected in 1963, that employment figures will continue to rise. Owing to differences in population growth, the labour markets in the various countries will not all react in the same way to this expansion. The Federal Republic of Germany, where the normal increase in the working population will be negligible, will again have to recruit considerable numbers of foreign workers. In France, on the other hand, repatriation from Algeria and the shortening of military service, coupled with a greater population growth, will doubtless help to ease the situation in the labour market. The same applies to a lesser degree to the Netherlands. In Belgium, employment figures will remain high, while unemployment in Italy, which is essentially structural, will probably continue to decrease, though less rapidly than in 1962.

### **Trade**

Since the growth of demand in the Community remains considerable, *the upward trend in imports from non-member countries will continue*. The increase may, however, be less substantial than in 1962, mainly on account of reduced purchases of agricultural products, the 1962 harvests having, on the whole, been better than those of 1961.

Nevertheless, in view of the slender expansion anticipated in exports, it seems normal to expect a further deterioration in the Community's trade balance, albeit less serious than in 1962. In any event, the surplus on current account will no doubt still be comparatively large, which means that the Community countries will continue to have room for manoeuvre, enabling them to expand their economic activity rapidly without fear of external payments difficulties.

There is every likelihood that *intra-Community trade* will again develop more vigorously than trade with non-member countries.

### **Special Problems**

I should like now to say a few words about two sets of problems which arose in 1962, as they did during the two preceding years, and which will once again engage our attention in 1963: first, the rise in prices and production costs, linked with the pressure on profit margins and its effects on investment: and secondly, the balance of international payments.

## 1. Rise in price

*The rise in consumer prices* which proceeded slowly until the middle of 1961 but accelerated thereafter in all member countries, though less rapidly in Belgium and Luxembourg, continued throughout 1962. It persisted generally until the end of the summer of 1962, when, except in France and Italy, prices fell again slightly. Retail prices of industrial products, however, have risen steadily. The same applies to the cost of services, which rose more steeply than average consumer prices for the obvious reason that improvement in productivity is relatively slower in that sector, while wages are proportionately higher and the increase in the wage-bill almost as high as in other branches of activity. Moreover, the average level of service costs is affected, in most member countries, by regular increases in controlled rents not directly related to the economic situation.

By and large, demand played a less significant part in this than it did the year before, and the same will probably happen again in 1963. On the other hand, the increase in costs per unit of output persisted. The upward trend in the wage-bill per unit of output tended to level out, however, during 1962. *Pay rises became more moderate in several member countries, owing mainly to a slight easing in the labour market and a slower rise of demand.* Moreover, it would appear that, in industry at any rate, there has lately been a further increase in productivity. *This is due to the considerable increase in rationalization investments in recent years, the effects of which were not felt until the expansion of production was manifestly slowing down sufficiently to induce firms to take on less labour.*

*These tendencies are likely to persist in 1963* when wages generally will probably rise less steeply than in 1962 and productivity may well make a further surge forward. Such a development could have a restraining influence on prices; it would also have a favourable effect on profits which are themselves showing an upward trend, not only because of the increase in selling prices already mentioned but also temporarily because of the decline in raw material prices, which continued throughout 1962. A further factor is a relative alleviation of the financial burden, due to the deferred collection of certain direct taxes. One of the negative factors affecting firms' investment plans thus seems likely to become less significant.

## 2. Balance of international payments

The most noteworthy feature of 1962 as regards the second problem — that of international payments — was that the tendency towards a better equilibrium persisted. By and large, the surpluses of those countries whose reserves have been increasing steadily for several years have dwindled, as have drawings on the reserves of debtor countries. This trend was particularly marked in the EEC countries and in the United States. ”

M. Marjolin added that this trend resulted from measures taken by the United States (extension of tied aid) and by the European countries (advance repayments of debts and purchase of American equipment as a counterpart to American military aid). The burden for the American balance of payments was thus becoming appreciably lighter.

“ But these are merely temporary expedients to relieve a critical situation. More important for a better balance of international payments in the future is the co-ordination of economic, financial and monetary policies on both sides of the Atlantic. I shall now consider, in turn, trade in goods, long-term exports of capital and short-term capital movements.

The high rate of economic expansion in the EEC countries — much greater than in most other industrialized areas — has resulted, among other things, in a considerable increase in their imports. EEC has proved an all-important outlet for the United States; in 1960 and 1961, it absorbed from 30 to 35 % of the increase in America's exports.

The United States competitive position vis-à-vis Europe has greatly strengthened since 1959, thanks to soaring production costs in Europe while corresponding costs in the United States remained almost static. The revaluation of the mark and guilder in 1961 was a further contributing factor.

This trend is likely to be maintained in 1963. In all probability there will continue to be greater stability in production costs in the United States than in Europe.

Although trade in goods plays a vital part in payments relations across the Atlantic, the part played by private capital movements is also significant.

The growing outflow of long-term private capital was one of the main causes of the deterioration in the United States balance of payments. The recent development of some of its components (in particular, direct investments) seems, however, to foreshadow a slowing-down of this trend.

The changes that have taken place in production costs and profit margins in Europe have narrowed the gap which existed between investment yields on opposite sides of the Atlantic.

This approximation should be accentuated by the fact that the United States is seeking to solve its balance-of-payment difficulties, not by a deflationary policy, but by a deliberate expansionist policy. The Kennedy Administration has tackled this fundamental problem energetically: steps have already been taken in various fields towards its solution, and further more important measures are being devised (fiscal reform, including, for example, substantial tax reductions).

On this view, United States imports may, of course, go up slightly, but exports are likely to be maintained at their current level and may even be increased. Furthermore, expansion will offer greater scope for the internal investment of American and foreign capital, particularly if interest rate policy takes account of the problems arising from the special mobility of short-term capital.

Finally, it should be added that incomes from private capital invested abroad have risen steadily and substantially in the past few years. In 1961, the latest year for which full data are available, total incomes (from the entire world) proved to be much higher (3 300 million) than the gross outflow of long-term capital (2 500 million).

Short-term capital movements, on the other hand, continue to be the weak spot in the United States' external payments situation. The frequently irrational character of these movements makes forecasting hazardous. What we can say, however, is that a number of factors which encouraged them have disappeared.



For one thing, the period of uncertainty as regards adjustments in exchange rates of European currencies is now past; for another, there is now much less disparity between European and American interest rates than there has been at times in the past. Bank rate in five EEC countries (the Belgo-Luxembourg Economic Union, France, Italy and the Netherlands) is now 3.5 %; in Germany it is 3 %. In the United States it is again 3 %. These rates, it is true, are not the same as those on the money market, and differences in interest on the capital markets continue to be considerable. But the trend is unmistakable. Both this and a set of concerted measures by European and American monetary authorities should undoubtedly be regarded as an indication of substantial progress towards a co-ordination of monetary policies, so conspicuously lacking two or three years ago.

I think we may conclude from the foregoing that prospects of a better balance in international payments have improved.

Having analysed the economic outlook for 1963, I should like now to turn to the implementation of a short-term economic policy adapted to these forecasts.

### **Short-term economic policy**

We must consider, first of all, what action the Commission has taken, in association with the Governments of the Member States, to strengthen the co-ordination of short-term economic policies and improve economic analyses and forecasts.

#### **Economic budgets**

As I announced in January 1962, the Economic Policy Committee, on a proposal by the Commission, recommended the regular establishment of an *economic budget* for each Community country in the form of economic forecasts accompanied by a statement on an appropriate economic policy for their fulfilment. ”

M. Marjolin said that these surveys would be improved and extended to cover employment... “I am convinced,” he added, “that the difficulties which are almost inevitable at the start of this kind of operation will soon be overcome and that Governments will be only too anxious to support an initiative which is bound to assist them in conducting their national economic policies and in fulfilling their obligations as regards the co-ordination of short-term economic policies laid down in the Treaty of Rome. I hope not only that it will thus be possible to compare economic forecasts and policies in satisfactory conditions, but also that the practice will be extended and perfected.

#### **Business surveys**

The harmonized system of business surveys at Community level which I also mentioned last January has been established as planned.

#### **Short-term economic measures**

We shall now consider the steps which should be taken in the context of short-term economic policy in 1963 from the point of view of the Community as a whole. The conclusions I shall draw are, incidentally, valid for most of the member countries taken individually.

In view of the continuing buoyancy of overall demand, our essential task, in the immediate future at any rate, must be to *stabilize prices* or at least curb decisively their upward trend.

As I said, prospects here are better than a year ago. But this does not mean that rising consumer prices will cease to be a problem in 1963; indeed, there has already been a substantial, though probably only temporary, increase in the price of certain foodstuffs owing to the hard winter. Circumstances seem to me to call for a continuation of our efforts to combat more effectively the 'creeping inflation' which has been afflicting the economies of most countries of the free world since the war.

Although the success of our efforts here depends not on the application of one single, simple remedy but rather on the combined effects of measures taken in all fields of economic and social policy, discussions and studies both inside and outside the Community reveal that, *in a market economy aiming at full employment and vigorous and steady expansion, a concerted incomes policy is indispensable.*

Such a policy implies that public authorities will take appropriate steps to ensure that the behaviour of both sides of industry in wage negotiations, price decisions by firms, and important public or private decisions in general that affect the distribution of incomes, are co-ordinated with the general economic policy aims of the Community countries. This presupposes, *inter alia*, the creation or improvement by governments of machinery by which the claims of the various social groups may be confronted on the basis of the objective data supplied in the economic budgets.

The continuing favourable external payments situation of the Community countries in 1963 will enable them to curb price rises by means of further measures calculated to increase supply. I am thinking in particular of the lowering, before the date originally fixed, of the customs tariff applied between member countries, reductions in consumer taxes which have equivalent effect to customs duties, and the pursuit of a liberal commercial policy vis-à-vis non-member countries, on a reciprocal basis of course.

Efforts to speed up vocational training, increase manpower mobility and direct investment towards areas with labour reserves must be maintained and intensified. Lastly, the policy on competition should be pursued energetically in order to forestall unwarranted price increases, encourage cuts where possible and ensure a rational use of the Community's productive resources.

In view of the slowdown in the growth of demand, *I feel it would be inadvisable to resort to moderating measures*, except perhaps in exceptional instances where the disequilibrium in certain markets makes them absolutely essential, as might be the case in the building and construction sector in certain countries such as the Federal Republic of Germany and the Netherlands.

*The maintenance of a high rate of expansion is and must continue to be the main target of the Community's economic policy.*

Prospects of expansion for the current year are still good, but I do not think we can maintain a satisfactory rate of economic growth for long if increases in production continue, as at present, to depend primarily on consumption, housing

and investment in public utilities, while progress in directly productive investment is almost at a standstill.

Certain factors which had for some time been restraining the growth of such investments have, as I said, weakened.

We must none the less keep a careful watch on the situation and create as favourable conditions as possible for these investments and particularly their financing. It will be necessary, above all, to avoid strain, however short-lived, on the capital and money markets resulting, for example, from balance-of-payments developments or from the budgetary or financial operations of public authorities.

If economic growth is to continue at a high tempo, governments must also be equipped to take whatever measures may be required in any contingency. This implies taking certain precautions to improve the conditions under which short-term economic policy decisions are made and implemented. Such reforms are easier when general economic prospects are satisfactory, as is the case at present.

It was in this spirit that the Commission addressed recommendations to the Governments of the Member States in order that swift and effective action might be taken in the event of a serious decline in economic growth or of a recession.

These recommendations are based largely on conclusions from studies conducted by the Economic Policy Committee in close collaboration with the Monetary Committee. They embody practical suggestions for improving the instruments of budgetary and monetary policy and policy on investment, prices and incomes, so as to give them the necessary flexibility and efficacy. The Commission placed special emphasis on the need :

- a) To co-ordinate more closely the economic policies pursued by the various competent authorities in each country;
- b) To speed up the planning, approval and implementation of short-term economic policy measures;
- c) To base economic policy decisions on detailed analyses of economic trends and on short-term general economic forecasts, giving due warning of downturns in economic activity.

The recommendations were communicated to your Economic and Financial Committee.

Once again, in order to avoid any misunderstanding, let me stress that *these recommendations are by no means intended to ward off the danger of an already foreseeable recession*, but merely to enable the Community countries, and the Community itself, to cope with any eventuality by providing quick-starting, effective machinery in advance.

If we are to attain the economic policy aims set out in the Treaty of Rome, it will clearly not be enough, however, to forestall or combat disequilibria as they occur or become imminent. Hence, in its action programme for the second stage the Commission defined the general principles of a system of economic programming, aimed at outlining, for the longer term, the desirable and feasible course of economic development in the Community. Not only will it thus be possible to

determine short-term economic policy measures in accordance with forecasts extending over a longer period of years, but economic policy as a whole will become more effective, thanks to a clearer insight into all its effects. Finally, by helping to eliminate disparities in the development of the economies of Member States, programming will facilitate the implementation of a short-term economic policy for the Community as a whole.

Such, Mr. President, Ladies and Gentlemen, are the proposals put forward by the Commission in order to avert the dangers of soaring prices and a serious decline in economic activity. Considering the forces making for expansion in our countries and the keener awareness displayed by national and Community authorities of their responsibilities and of the opportunities open to them, and confident that we shall see the principal countries outside the Community follow an active anticyclical policy, I feel that the fulfilment of the generally optimistic predictions I have made should not be beyond our reach. ”

### III. Requests for association by neutral countries

On 12 and 15 December 1961 Austria, Sweden and Switzerland each addressed a letter to the President of the Council of Ministers of the EEC expressing their desire to participate in an enlarged European market. They wished to conclude an agreement with the Community and hoped that the date chosen for opening the negotiations would enable the solutions adopted for each EFTA country to be implemented simultaneously (in accordance with the EFTA Council's statement of 31 July 1961).

In varying terms the Austrian, Swedish and Swiss letters all proposed an agreement under Article 238 of the Treaty of Rome. All three Governments felt that on this basis formulas could be found to safeguard their common policy of neutrality without weakening the unity of the EEC.

Though, to a varying extent, they bore the economic aims and the content of the Rome Treaty in mind, they drew attention to certain exceptions necessitated in their opinion by their neutrality. They set out these exceptions in almost identical terms :

- a) First, they must have a certain freedom of action in matters of commercial policy, including the power to negotiate trade and tariff agreements with third countries; but this would not exclude co-ordination of their trade policy with that of the Community;
- b) They would also like the assurance of certain vital supplies in the event of war;
- c) They claimed the right to abstain from taking any measures incompatible with the demands of neutrality. This right might go so far as suspending the Association Agreement completely or in part, and even denouncing the entire Agreement in the event of serious international tension; this would be done by means of a clause on the lines of Article 224 of the Rome Treaty.

## IV. Presentation of New Year wishes by the Permanent Representatives

On 31 January 1963 the Presidents and members of the Euratom and EEC Commissions received the Permanent Representatives of the Member States, who presented their New Year wishes.

Speeches were made by Ambassador Borschette, President in office of the Committee of Permanent Representatives and by the Presidents of the European Commissions, M. Pierre Chatenet and M. Walter Hallstein.

Ambassador Borschette spoke of the progress made during the year just ended and paid tribute to the valuable contribution of the Commissions to the solving of outstanding problems.

The following are extracts from Ambassador Borschette's address.

"... 1961 culminated in the move to the second stage of the Common Market's transition period. 1962 began — late it is true — with the implementation of the common agricultural policies. It ended with the initialling of the Association Convention uniting 18 African States and Madagascar with us by close links of friendship and fruitful co-operation.

"In 1962 we were also able to conclude the Association Agreement with Greece; we approved the second five-year plan for Euratom, and the EEC Commission drew up its action programme — the broad lines of a systematic organization of the remaining work to be done to achieve maximum possible integration.

"These, it seems to me, are some of the major events which marked the year 1962 within the Communities and outside. It was a year in which the Communities, after emerging from the initial period of tariff unification, moved towards the true economic union which is the object of the Rome Treaty.

"But I mention these problems and their solutions here mainly because the contribution of the Commissions has been vitally important.

"Whether we think of the common agricultural policy, Euratom's five-year plan, the negotiations with Greece or with the African countries and Madagascar or many other matters, the unflinching collaboration at all levels between the Commissions and the Councils has been the essential and determining factor in achieving positive results, in finding answers to the most involved problems and bringing closer together points of view which initially were sometimes far apart.

"This collaboration is the touchstone of the institutional side of our Communities, the feature which, apart from its originality, is their best guarantee of efficacy and success.

"I know we are confronted today with difficulties which require from all of us a special effort of mutual understanding, collaboration and solidarity. However, the cohesion between our six countries developed in five years of work and friendship and strengthened by the assiduous labour of the Commissions, will once

again enable us to overcome every obstacle. The links uniting us are certainly stronger than any divergence of views which might divide us. The task we have undertaken is too important and too real for us to halt or turn back.

“ In order to achieve an enlarged Community the present Community must remain in being and advance.

“ For five years now our national interests have been gradually evolving into common or Community interests. This is one reason why I believe that the Communities are alive, that they will go on living and developing, that they are permanent. ”

Replying to Ambassador Borschette's address, M. Hallstein, President of the Commission, said :

“ ... The Council's guiding decisions on agriculture and competition taken at the beginning of 1962 were, as you, your Excellency, have already explained, the culmination of laborious preparations and extraordinary exertions during the previous year. These first steps towards economic union have been followed by others in the course of this year. In its action programme the Commission gave us the outline of what it was convinced would have to be accomplished by the Community's institutions over the coming years to set the seal on our past achievements and ensure that the Treaty, which enjoins an economic union, is duly implemented in the letter and the spirit.

“ It is already clear that, more than ever before, the institution of the Community and the Governments of the Member States will have to close their ranks, co-operate still more closely and become more fully aware of the interplay of their actions. ... ”

“ It is, both politically and psychologically, gratifying that the negotiations with the associated African States on the renewal of the association was concluded in good time before the first Implementing Convention expired. The efforts expended on this model of European-African partnership by the Council and the Commission and not least by the Africans themselves, who are quickly growing into their new role in international affairs, have been well worth while.

“ On the other hand, the vexing problem of a durable structure for our relations with our friends in Europe and the Atlantic area in particular is still awaiting a solution.

“ And certainly no one fails to recognize how important, how serious the problems are that we see before us. But we must not forget that European integration, which has successfully weathered its way through many perilous deeps and critical hazards, is a long-term process and one involving broad horizons. Let me conclude from this that we have no prospect of mastering the problems still outstanding unless we keep clearly before us the fact that only immobility spells death, whereas the onward movement of life bears within itself all hopes and all promise of their fulfilment. If we decide to go on in this spirit with the work of the New Year, we shall see that, although there are difficult phases in the dynamic flow of events in which we are caught up, yet there is nothing for which the machinery of our Community does not provide the nucleus of a possible solution... ”

# V. The activities of the Community

## EXTERNAL RELATIONS

### New Year Reception for heads of Missions to the European Communities

1. At the New Year reception for heads of Missions to the European Communities on 31 January 1963 the speakers included Sir Arthur Tandy, United Kingdom Ambassador to the European Communities and Doyen of the Diplomatic Corps, and the Presidents of the Commissions of the European Communities.

The following is an extract from Sir Arthur Tandy's address :

"When I took charge of my Mission to ECSC in Luxembourg in 1958 I joined a Diplomatic Corps of nine Representatives. One of them was then also accredited to the Communities newly established under the Rome Treaties with their Commissions in Brussels. Today our Diplomatic Corps numbers fifty heads of Missions, representing nearly half the sovereign States of the world.

1962, the first year of the second stage was a year of intense activity and impressive progress. The European Communities extended their authority more widely in the field of common policy, economic union and scientific development.

1962 was also a year of great hopes that your Communities would soon be still further strengthened by the accession or association of a number of other European countries, including my own. I need not tell you how deeply my Government regret the breaking-up of these negotiations. I am happy to have this opportunity to convey to the Commissions an expression of my Government's sincere gratitude for the most valuable assistance which they gave to the negotiators. As the Lord Privy Seal said at the last session of the Brussels Conference, we in Britain are not going to turn our backs on Europe. We are a part of Europe by geography, history, culture, tradition and civilization. We shall continue to work with all our friends for the future strength and unity of this continent."

Professor Hallstein, President of the EEC Commission, replied as follows :

"... We are highly gratified at this expansion of the Diplomatic Corps accredited to us, which we take as evidence that the world is increasingly recognizing the reality of our Community.

A backward glance over the past year will show that it has not been possible to organize the Community's external relations at the same rapid pace as we managed to keep up in our internal arrangements. Nevertheless our Association Agreement with Greece, leading on to ultimate full membership of the Community in years to come, came into force in 1962.

It is most satisfactory that we were able to conclude the negotiations with the associated African States and Madagascar before the expiry of the first implementing convention. We have thereby laid the foundation for a lasting relation-



ship between Europe and Africa, which permits of the co-ordination of our mutual economic interests through joint institutions based on the principle of equality. While we have thus given expression to the Community's special responsibility towards the African States, we are aware that we also have obligations vis-à-vis the States of Latin America and Asia which we cannot and do not wish to deny. We hope in the very near future to enter into fruitful negotiations for co-ordinating our mutual interests. Our policy of co-operation and progress is intended to help all developing countries to strengthen their economic and political independence.

At the same time we are today facing problems of special gravity so far as the extension of the Community in Europe is concerned. Though at the present stage it has not been possible to attain the goal we had set ourselves, we should not forget that life does not stand still.

The claims which the world has on us and in particular the interests of our European neighbours and Atlantic friends, and indeed of all other countries with whom we maintain friendly relations, have not been diminished: they are as significant today as they were yesterday and to meet and respond to them will be no less important in time to come — on the contrary, it will become ever more important. Nor is European integration, that fine venture which has already successfully weathered so many critical stages, a process to be measured in weeks, months or years; it is a long-term political project. And it is in this light that we may say to ourselves and to all our friends that it would be presumptuous to regard any event through which we are living as other than something whose value is determined by the historical conditions obtaining at the time when it occurred."

### **Common commercial policy : relations with State-trading countries**

2. At its session on 24 January 1963 the Council formally adopted in the four Community languages a regulation on commercial relations with State-trading countries as regards products falling under Regulations Nos. 19 (cereals), 20 (pig-meat), 21 (eggs) and 22 (poultrymeat) (1).

The new regulation is made in view of the special nature of commercial relations with the countries in question. Besides applying to these countries the general import system laid down in the agricultural regulations, the EEC Member States will impose import controls operating by a system of "indicative amounts".

The regulation also provides for a Community procedure if imports of a given product from the State-trading countries should exceed by more than 20 % the average of imports in 1960 and 1961 and the market of one or more Member States suffers or is threatened with serious disruption likely to jeopardize the attainment of the agricultural objectives of the Treaty.

This regulation has effect from 1 February 1963 and will remain in force until 31 December 1964. The Commission is to submit in due course proposals for the system to be applied from 1 January 1965 onwards.

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(1) See official gazette of the European Communities, No. 14, 29 January 1963.

## **Turkey's application for association**

3. The negotiations between the Turkish delegation and that of the Commission were continued from 14 to 18 January 1963.

The two delegations reported that views on a number of points in the proposed agreement had been brought more closely into line.

It was agreed that the negotiations should be resumed as soon as possible.

## **Relations between EEC and Algeria**

4. The Algerian Government has approached the Community with a view to talks on future relations between Algeria and the Community.

For the time being the Algerian Government proposes that the present arrangements should be maintained.

The Council took note of this communication at its session of 24 January and the sitting President sent an acknowledgement to the Algerian Government the same day.

## **Relations with Latin America**

5. The Commission has transmitted to the Council a new memorandum on relations between EEC and Latin America setting out its views and proposals in this matter.

## **Preparations for the next GATT tariff negotiations**

6. On 25 January 1963 the Commission received Mr. Christian A. Herter, special representative of the President of the United States for negotiations under the Trade Expansion Act adopted by the United States Congress.

Mr. Herter was accompanied by Ambassador William T. Gossett, his deputy, Mr. John Tuthill, United States Ambassador to the European Communities and others.

Present for the Commission were M. Jean Rey, presiding, Vice-President Robert Marjolin, co-chairman, Vice-President Guisepe Caron, M. Hans von der Groeben, and officials of the Commission's staff.

The meeting was confined to identifying the issues raised by the Trade Expansion Act without attempting to reach fixed positions.

Among the issues raised were :

a) Work still required in connection with the United States Customs Simplification Act.

- b) The approach to problems of tariffs and non-tariff restrictions on trade in the light of eventual negotiations.
- c) The broad problem of agricultural products.
- d) The problems of developing countries in the context of multilateral negotiations.

Mr. Herter was received the following day by Professor Hallstein, with whom he held a general discussion.

## **Relations with international organizations**

### **Council of Europe**

7. The Community was represented at the third part of the 14th ordinary session of the Consultative Assembly of the Council of Europe which was held in Strasbourg from 14 to 18 January.

On 16 and 17 January the Assembly debated the Council's general policy and European economic relations on the basis of reports tabled by M. Pflimlin (France, Christian Democrat) and M. Vos (Netherlands, Socialist).

This debate came shortly after the Press conference by the President of the French Republic on 14 January 1963 and bore mainly on the accession of the United Kingdom to the Communities and on European defence policy.

The debate issued in a recommendation adopted by 87 votes to nil with 6 abstentions (British Labour representatives and a Norwegian representative). The Six and Great Britain were urged to reach an agreement as quickly as possible in a spirit of conciliation provided that the principles and rules established under the Treaty of Rome were respected and subject to the adoption of measures of adaptation and transition.

After the debate on the general policy of the Council of Europe, the Assembly adopted another resolution concerning the Council's relations with the OECD. Several proposals had been made for endowing OECD with a parliamentary body, but in order to avoid the creation of yet another Assembly, the recommendation urged governments to deal with OECD affairs at joint meetings between the Consultative Assembly, representing the European countries in OECD, and American and Canadian parliamentarians.

### **Non-member countries' missions to the Community**

8. The EEC has acceded to the requests of the Governments of Iceland, Jamaica and Trinidad and Tobago to establish diplomatic relations with the Community.

It has given its agreement to the appointment of Ambassador Carlos Miro-Quesada as head of the Peruvian mission to the Community.

## **Visits to the Commission**

9. On 16 January 1963 the Commission received Mr. Rupert L. Murphy, Chairman of the Interstate Commerce Commission (ICC) which is the principal Federal body responsible for transport matters in the United States.

On the following day Mr. Murphy spoke on the organization and powers of the ICC to a meeting at which the chair was taken by M. Lambert Schaus, a member of the EEC Commission and President of the Transport Group.

## **ECONOMIC AND FINANCIAL AFFAIRS**

### **First meeting of restricted study groups on under-developed areas, declining areas and regional aid in the EEC**

10. The conference on regional economies organized by the EEC in December 1961 <sup>(1)</sup> made a survey of regional problems in Europe. In order to study more closely certain problems raised at the conference the Commission proposed setting-up restricted groups of specialists from the Member States in matters of regional expansion.

The joint inaugural meeting of these groups was held in Brussels on 14 January 1963, under the chairmanship of M. Marjolin, Vice-President of the Commission.

M. Marjolin said that despite the overall expansion that was taking place in the EEC countries, some regions were still labouring under difficulties that could only be overcome by an active regional policy. The Commission therefore looked to the groups of experts to help it decide, in conjunction with the national authorities on methods of regional expansion to remedy the backwardness of the less favoured areas, as called for by the Treaty.

The groups then met separately to plan their work.

Under the chairmanship of M. Langer, Director in the Economics Ministry of the Federal Republic of Germany, the first group began a study of methods to speed up the development of the Community's peripheral areas, which lagged far behind the central areas. It will consider in particular the question of concentration or dispersal of investments.

Besides studying the industrial development of these regions, this group will also consider land improvement, agriculture and services.

The second group, chaired by M. Persoon, Deputy Director of the Banque de Bruxelles, took as its subject ways of reviving activity in areas that are heavily industrialized but where some major industries are declining because of technological or economic changes. The group decided to list areas suffering from a structural decline in economic activity or threatened with recession, to study the reasons for this decline and measure its extent. The group will subsequently consider methods to combat the decline and ways in which the European institutions can help.

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(1) See Bulletin No. 1-62, Chap. III, and Bulletin No. 2-62, Chap. II.

The third group under the chairmanship of M. Bloch-Laine, Director General of the French "Caisse des dépôts et consignations" met to plan its work. The group will assess the effectiveness of steps taken to foster regional development. It will study the different types of aid, their manner of operation and their effects in order to see whether they answer their purpose.

### Comparison of the budgets of the Member States

11. The Working Party for the comparative study of the budgets of the Member States met in Brussels on 31 January and 1 February 1963.

The experts concluded their study of the draft report on the social accounts of the public authorities and the breakdown of expenditure by purposes.

It was decided to draw up the final report with due regard for comments made at recent meetings.

## THE INTERNAL MARKET

### Abolition of import quotas

12. The following is a list of the products in respect of which decisions have been taken by the Commission under Article 33 (4) of the Treaty of Rome on the basis of the 1959 and 1960 figures <sup>(1)</sup>.

#### Federal Republic of Germany

<i>Heading in German customs tariff</i>	<i>Description of product</i>
ex 06.01 B	Greenhouse plants, nursery products
ex 06.02 C II	
06.02 C IV b	
ex 15.07 B II a 2 b	Table oil (vegetable oils, fluid or solid, refined or purified) in barrels, trucks or tankers for the statistical number 15.07.30
15.07 B II b 2	
15.07 B II c 2 b 1	
ex 15.07 B II c 2 b 2	
ex 15.07 B II c 2 b 2	Fats, solid, imitation lard and other prepared edible fats in containers of 1 kg. or less
ex 15.12 B I	
ex 15.13	
ex 15.12 B I	Animal or vegetable fats and oils, edible, hydrogenated, whether or not refined, but not further prepared
ex 15.12 B II	Margarine
ex 15.13	
ex 20.01 B	Gherkins and other preparations preserved in vinegar, sterilized
20.05 C II b	Jams, fruit jellies, marmalades, not including quince jelly and bitter orange marmalade
22.10	Vinegar
ex 23.07 B II	Prepared animal food; other preparations of a kind used in animal feeding, based on inorganic products

(1) See official gazette of the European Communities, No. 21, 7 February 1963.

Republic of France

<i>Heading in the French customs tariff</i>	<i>Description of product</i>
03.01 A I a	Trout
06.01 B I ex II	Bulbs, tubers, tuberous roots and rhizomes in growth or in flower, not including Sansevieria
07.01 O ex II	Gherkins
07.01 P II b	Truffles fresh
07.01 S I	Aubergines, marrows and the like
08.03 A	Figs, fresh
08.05 B I, II	Walnuts
08.08 ex C	Raspberries, currants and gooseberries
08.09 ex I	Melons and the like, not including water melons
08.12 B, D, E I, F	Fruit, dried, other than that falling within headings Nos. 08.01, 08.02, 08.03, 08.04 or 08.05, not including prunes and fruit salad containing prunes
08.12 ex C, E II	Prunes, in containers of a net weight less than 50 kg. and fruit salad containing prunes
17.04 A, C I, C II	Sugar confectionery and other edible preparations containing sugar
17.05 B	
21.07 C I	
18.03	Chocolate products
18.04	
18.05	
18.06 A I, II	
18.06 B I	
18.06 B II a, b	
20.04	Fruit preserved by sugar
20.06 B II ex a, ex b	Apricots in syrup
20.06 B II ex a, ex b	Other fruit in syrup
03.02 A I b 2	Cod, not including stockfish
03.02 A II a 2	
03.02 B I b	
07.01 P I, II a	Mushrooms
07.01 N	Olives and capers
07.03 A	
20.02 F I, II	
07.02	Vegetables (whether or not cooked) preserved by freezing
07.04 B II	Dried, dehydrated or evaporated potatoes, whole, cut, sliced, broken or in powder, but not further prepared (other than products falling under heading 11.05)
08.02 A I a, II	Oranges from 1 October to 14 June inclusive
08.07 A	Apricots
08.07 B I a	Peaches, including nectarines
08.07 B II a 1 to 4	
08.07 D I, II, E	Plums and other stone fruit, fresh
08.08 A I a 1, 2	Strawberries
08.08 A I b	
08.08 A II a 1 to 3	
08.08 A II b	
08.08 B ex C	Bilberries, black currants and other berries
08.09 ex I	Water melons
11.08 B	Inulin
15.03 B I	Lard oil

15.04 A II ex b	Fats and oils of fish, not including crude oil, other than herring liver oil and liquid fish liver oil, edible; crude herring oil, liquid edible oil and refined oil other than of halibut
15.04 ex B	
ex 15.13	Imitation lard and other prepared edible fats
16.01 ex A, ex B	Sausages and the like of meat, meat offal or animal blood, other than bovines or swine
16.02 A I a, b	Prepared or preserved goose or duck liver; prepared or preserved game or rabbit, with or without truffles
16.02 B ex I	
16.02 A ex II	Prepared or preserved meat or meat offal, other than prepared or preserved goose or duck liver, game, poultry or rabbit, not including prepared or preserved meat or meat offal of bovines or swine
16.02 B II a	
16.02 B II b ex 2	
16.04 D I	Preserved sardines
20.02 A I	Mushrooms prepared or preserved otherwise than by vinegar or acetic acid, in airtight containers: tins, jars, bottles and the like
20.02 A II a, b	Vegetables other than gherkins, sauerkraut, olives and capers, prepared or preserved otherwise than by vinegar or acetic acid, in non-airtight containers (casks, drums, etc.)
20.02 G II ex a	
20.02 G II ex b	
20.02 E ex I, II	Sauerkraut in casks, drums, etc.
20.02 E ex I	Sauerkraut and other vegetables in airtight containers: tins, jars, bottles and the like
20.02 G II ex a	
20.02 G II ex a, ex b	Gherkins prepared and preserved otherwise than by vinegar or acetic acid in non-airtight containers (casks, drums, etc.)
20.05 ex A	Fruit purée, not containing sugar, natural fruit, not containing alcohol, sugar or syrup (in tins or jars with a smaller capacity than tin 5/1)
20.06 B III ex b	
20.05 ex B	Jams, fruit jellies, marmalades, fruit purée and fruit pastes, being cooked preparations, containing added sugar, not including apple compote with a refractive index of no less than 24 % and chestnut cream with a refractive index of no less than 62 %
20.05 ex B	Chestnut cream with a refractive index of no less than 62 %
20.05 ex B	Apple compote with a refractive index of no less than 24 %
20.07 B ex I	Grape juice, concentrated, whether or not containing added sugar but unfermented and not containing spirit, of a density not exceeding 1.33 at 15° C.
20.07 B ex I	Grape juice, not concentrated, whether or not containing added sugar but unfermented and not containing spirit, of a density not exceeding 1.33 at 15° C.
20.07 B ex IV	Apple or pear juice and mixtures thereof, mixtures of other fruits, concentrated, whether or not containing added sugar but unfermented and not containing spirit of density not exceeding 1.33 at 15° C.
20.07 B ex VII ex b	
20.07 B ex VII ex c	
20.07 B ex IV	Apple or pear juice and mixtures thereof, mixtures of other fruits, not concentrated, whether or not containing added sugar but unfermented and not containing spirit, of a density not exceeding 1.33 at 15° C.
20.07 B VII ex b	
20.07 B VII ex c	
22.10	Vinegar and substitutes for vinegar
23.07 B ex I	Nitrogenous compound mineral food preparations
23.07 B II ex a	Sweetened food preparations, not containing cereals or cereal flour

## Republic of Italy

<i>Heading in the Italian customs tariff</i>	<i>Description of product</i>
08.01 b ex 1)	Dates, not including those in containers with a capacity of 500 gr. or less
08.03 b ex 2)	Figs, dried, not including those in containers with a capacity of 500 gr. or less
08.04 b 2)	Grapes, dried
12.08 a	Locust beans, fresh or dried, whether or not kibbled or ground
15.17 ex a	Oil foots and dregs
15.17 ex b	Soapstocks, other than residuary products from the manufacture of crude olive oil admitted temporarily for refining
45.01 c	Cork, crushed, granulated or ground; natural cord in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)
45.02	
ex 20.05	Pastes of dates, dried figs and dried grapes, whether or not mixed with pastes of other fruit; date and grape juice, whether or not mixed with juice of other fruit
20.07 b 1 ex beta	
20.07 b 2 alpha ex II	

## Benelux Economic Union

<i>Heading in the Benelux customs tariff</i>	<i>Description of product</i>
ex 03.01 B I a 1	Herring and herring livers and roes, fresh (live or dead), chilled or frozen
ex 03.01 B I a 2	
ex 03.01 B II	
ex 03.01 C	Herring and herring livers and roes, salted, in brine, dried or smoked (other than in cans or airtight jars)
ex 03.02 A I a	
ex 03.02 A II b	
ex 03.02 B II	
ex 03.02 C	
ex 02.01 A I	Meat of horses, fresh or chilled

## Kingdom of the Netherlands

<i>Heading in the Netherlands customs tariff</i>	<i>Description of product</i>
08.04 A	Dessert grapes, fresh
12.06	Hop cones and lupulin
ex 03.03 A II	Shrimps, fresh, chilled, frozen, salted, in brine or simply boiled in water (decision to be reviewed)
16.05 A	

## Belgo-Luxembourg Economic Union

<i>Heading in the Benelux customs tariff</i>	<i>Description of product</i>
12.06	Hop cones and lupulin
15.13	Margarine, imitation lard and other edible fats similarly prepared



Article 33 of the Treaty makes rather strict provisions for the fixing and gradual increase of quotas for imports of products still subject to quantitative restrictions. It also lays down a quite stringent condition for the maintenance of global quotas. Where the Commission, acting by means of a decision, finds that in the course of two successive years imports of a given product have been below the level of the quota granted, this global quota may not be taken into consideration when calculating the total value of the global quotas, and the Member State shall abolish the quota for the product concerned. It may be admitted in such a case that quantitative restrictions are no longer necessary and that their maintenance would lead to purely nominal quota increases.

### Tariff quotas

13. On 14 January the Commission granted the following tariff quotas <sup>(1)</sup> under Article 25 (3):

<i>Tariff heading</i>	<i>Description of product</i>	<i>Applicant Member State</i>	<i>Quota duties</i>
ex 03.01 B I a 2	Herring and sprats, fresh, chilled or frozen	Germany 65 000 t.	at 0 % from 1/1 to 14/2/63 and from 16/6 to 31/12/63
ex 07.01 A I	Seed potatoes of different varieties	Italy 9 000 t.	at 0 % for 1963

### Application of Article 226

14. On 17 January, the Commission granted the French Government's request of December 1962 for authorization to impose a special degressive duty for a limited period on import from Italy of refrigerators and spare parts thereof in application of Article 226 of the Treaty. This is a specific duty; it will be equivalent to about 12 % of the customs value until 30 April 1963, falling to 9 % in May and June and 6 % in July. It will be imposed on Italian refrigerators imported into France unless Italy already levies a similar charge on export. The safeguard measure will be discontinued after 31 July 1963 <sup>(2)</sup>.

The rates used in calculating the duty will cover only part of the difference in price between French and imported Italian refrigerators.

This duty should enable French manufacturers to complete their reorganization during the period covered by the Commission's decision and should help to reduce the excessive pressure on the French market caused by imports of Italian refrigerators. These have shot up since the liberalization of trade on 1 January 1962, at the same time as French production dropped considerably. In 1962 these imports were equal to 22.5 % of French output.

On 21 February 1963 the Italian Government filed an appeal from the Commission's decision with the Court of Justice of the European Communities.

<sup>(1)</sup> See official gazette of the European Communities, No. 19, 2 February 1963.

<sup>(2)</sup> See official gazette of the European Communities, No. 23, 13 February 1963.

## **Right of establishment and freedom to supply services**

15. On 11 January 1963 the Commission submitted a draft directive to the Council completing those already laid before it in July 1962. These drafts relate to the right to engage in non-wage-earning occupations in the wholesale trade and as intermediaries in trade and industry <sup>(1)</sup>. Whereas the first two directives define the occupations concerned and specify what discrimination has to be abolished, the new one is intended to compensate for the differences affecting the conditions of establishment as a result of the absence of statutory provisions in some Member States. The aim is to ensure that nationals of States in which admission to these occupations is not governed by any special rules are not unduly handicapped. Such persons will not be able to prove that they have qualifications equivalent to those required of nationals in the host country until there is some co-ordination of general provisions governing admission to these occupations.

Lastly, freedom of establishment and freedom to supply services should not be focused on the countries in which there are no statutory requirements; this would give undue advantage to persons who could not satisfy the conditions for engaging in these occupations in their own country.

To preclude such a state of affairs the transitional measures detailed in the draft include the following provisions :

- a) Receiving States that have regulations on admission to the occupations in question should recognize actual pursuit of the occupation in the country of origin for a reasonable and not too remote period as adequate proof that the person concerned has equivalent professional qualification to those required of their own nationals;
- b) Any State that does not control admission to the occupations in question should be authorized, where necessary, to demand proof from nationals of the other Member States that they are qualified to pursue such occupation in their country of origin.

The measures in this directive will no longer be necessary once the co-ordination of the provisions in force in the various Member States and the reciprocal recognition of diplomas and other qualifications have been achieved.

Pending the complete attainment of these objectives, the Commission, with the assistance of the Member States, will have to make detailed comparisons of existing provisions on admission to occupations. These transitional measures are therefore intended to prepare the way for co-ordination rather than to be a substitute for it.

Measures to implement this directive must come into force in the Member States on 1 January 1964. The Council will send the new draft to the Economic and Social Committee and the European Parliament for consultation.

At its session of 30 and 31 January the Economic and Social Committee rendered a favourable opinion on the first two draft directives. The Com-

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<sup>(1)</sup> See the Supplement to Bulletin No. 2-63.

mittee urged that the directives be applied as soon as possible and simultaneously in the Member States.

On 7 February after hearing a report by M. Illerhaus (Christian Democrat, Germany), the European Parliament unanimously adopted resolutions approving the first two drafts subject to very slight amendments. Winding up the debate, M. Caron, a Vice-President of the Commission, emphasized the importance of these first two directives for the liberalization of trade; he thought they were proof that the Community was not a free-trade area but an economic union.

#### Payments for services

16. On 8 February, after a brief presentation of the report by M. Phillip (Christian Democrat, Germany), the European Parliament approved the Commission's proposal to the Council for a directive removing all obstacles to payments for services where payment restrictions are the only factor limiting their supply.

#### Freedom to supply services in the film industry

17. After hearing a report by M. Leemans (Christian Democrat, Belgium), the Parliament on 8 February adopted some minor amendments to the proposed directive implementing the General Programme for the removal of restrictions on freedom to supply services in the film industry. The purpose of the directive is to prevent those Member States that have already attained the objectives set for the end of the second stage in the General Programme by means of bilateral agreements from reverting to a restrictive policy by cancelling such agreements (Article 7).

Mme. Gennai Tonietti, M. Schuijt and M. de la Malène suggested some changes in the Commission's text. Speedier liberalization of the supply of services was demanded. M. Caron, speaking for the Commission, said that it was safer not to commit oneself too far ahead because the film industry raised extremely delicate problems. He confirmed that the Commission was preparing a "more advanced" directive on freedom of establishment and freedom to supply services in the film sector.

#### Freedom of movement within the Community

18. On 8 February, after discussing a report by M. Kreyszig (Socialist, Germany), the European Parliament adopted a resolution slightly amending the Commission's proposed directive for the removal, where they affect freedom of establishment and freedom to supply services, of restrictions on travel and residence by nationals of Member States within the Community. The main point of the amendments was to include provisions on appeal by such nationals against refusal to issue or renew residence permits and against decisions forbidding them to reside in certain areas. M. Caron noted that such appeal was already accorded under an earlier directive.

## Reinsurance and retrocession

19. Still during its February session, the Parliament, after hearing M. Tomasini's report, approved without amendment the Commission's proposed directive for the removal of restrictions of freedom of establishment and freedom to supply services in reinsurance and retrocession.

## COMPETITION

### Rules applicable to firms

No extension of the time-limit for notifying exclusive dealing agreements and licensing contracts

20. On 11 January the Commission released the following communiqué <sup>(1)</sup>:

"On the question whether there is to be an extension of the time-limit for the notification of certain existing bilateral restrictions on competition, which expires on 1 February 1963, the following statement has been issued by the Commission of the European Economic Community:

"It has become apparent that the Treaty procedure for dealing with a proposal to extend the time-limit can no longer be completed by 1 February 1963.

"No extension of the time-limit for notification can therefore be expected.

"Enterprises intending to apply for the benefits accorded by Article 85 (3) in respect of bilateral agreements subject to notification must therefore make such notification before 1 February 1963, if they wish to avoid unfavourable legal consequences.

"The Commission again draws attention to the simplified requirements resulting from the notices concerning exclusive agency agreements with commercial representatives and patent licensing contracts which were published in No. 139 of the official gazette of the European Communities on 24 December 1962, and to Commission Regulation No. 153, published in the gazette of the same date. With regard to the instructions concerning exclusive agency agreements concluded with commercial representatives and certain patent licensing agreements, the Commission takes the view that these agreements do not come under Article 85 (1) and that consequently no notification is required.

"For exclusive dealing agreements fulfilling the stipulations of Regulation No. 153, the simplified form of notification may be used."

### Approximation of legislation

#### Industrial property

21. The experts of the special group which is preparing the preliminary draft convention to set up a European organization for the protection of industrial property met in Paris from 22 January to 2 February.

(1) See official gazette of the European Communities, No. 3, 12 January 1963.

At this meeting, the preliminary draft was finalized on the basis of the "guiding concepts" agreed on at an earlier meeting. It deals with all the institutions of the European organization for the protection of industrial property and with its operating procedures.

#### Convention on the mutual recognition and enforcement of judgments

22. Experts from the six Member States and the Commission met in Brussels from 21 to 25 January 1963 to discuss a multilateral convention on the mutual recognition and enforcement of civil and commercial judgments.

The purpose of this preliminary work is to put all foreign residents in a contracting State on the same footing as the nationals of that State with respect to the jurisdiction of the Courts, and to set aside national legislation which discriminates against such residents.

The possibility of including direct general and specific rules of jurisdiction in the convention was also discussed. Lastly, it was proposed that the exequatur procedure should be considerably simplified and speeded up.

The government experts are continuing their discussions and the working party has been asked to prepare an initial draft convention on the basis of the studies already made; this will probably be passed to the government experts for a first reading next summer.

#### Pharmaceutical products

23. On 17 December 1962 the Council decided to transmit the proposed directive for harmonizing the laws and regulations governing pharmaceutical products to the European Parliament and the Economic and Social Committee in accordance with the second paragraph of Article 100 of the Treaty.

A further meeting of the appropriate working party on 9, 10 and 11 January was devoted to an examination of problems connected with testing and advertising branded pharmaceuticals.

With regard to testing, this meeting discussed :

- a) The supporting documents describing the methods of testing and assay which must accompany the application for the marketing licence (this obligation is included in the first proposed directive now being studied by the Council of Ministers);
- b) Manufacturers' obligations as regards the tests to be carried out on the products;
- c) General official supervision.

The working party discussed the conditions which must be satisfied when advertising branded pharmaceuticals *a)* among doctors and pharmacists and *b)* among the general public.

Draft directives on these two subjects are now being prepared on the basis of the results obtained at the meeting.

## Criminal law

24. A questionnaire to serve as the basis for a comparative table of penal sanctions for business offences under their criminal law has been sent to the Member States.

Study has continued on outline rules and regulations on the co-operation of Member States in punishing infringements of national laws or regulations pursuant to certain Community regulations or directives.

## Fiscal problems

### Harmonization of turnover taxes

25. In January the draft directive on harmonization of turnover taxes was discussed for the first time in the European Parliament's Internal Market Committee, which appointed M. Deringer as rapporteur.

### Elimination of discriminatory provisions in indirect taxation

26. The experts from the Commission and the Member States have continued their work on eliminating provisions discriminating between home products and similar products imported — in respect of turnover and other indirect taxes.

In connection with this work the Italian Government has advised the Commission that the discriminatory taxation provisions in Italy were withdrawn as from 1 January 1963.

## State aids

### The French film industry

27. After obtaining, on 3 January 1963, the opinion of the Member States' experts on a French Government's project to alter the system of aids to the film industry, the Commission decided on 22 January to initiate the procedure laid down in Article 93 (2). This means that the Member States affected are required to submit their comments.

### Aid to lead and zinc mining in Federal Germany

28. The Commission again obtained the opinion of the Member States' experts meeting on 11 January, and decided on 22 January that the Federal German Government's project to aid the lead and zinc mines by a price equalization fund clashes with Article 12 of the Treaty. It has advised the Member States of this decision, and at the same time has drawn the Federal Government's attention to the possibilities of putting this project into effect, open to it under Article 226 of the Treaty.

## Aid to shipbuilding in France and Italy

29. On 22 January the Commission ruled that the French and Italian aid arrangements for shipbuilding embodied provisions calculated to favour national suppliers of the shipyards. Consequently it decided to recommend to the two Governments that they apply Article 93 (1) of the Treaty, and take appropriate measures without delay to eliminate any possibility of discrimination against other Community suppliers.

## **SOCIAL AFFAIRS**

### **Social security**

#### Social security for migrant workers

30. On 8 January 1963 the Commission submitted a draft regulation to the Council amending Article 40 of Regulation No. 3 concerning social security for migrant workers and Article 68 of Regulation No. 4 on implementing procedures and supplementary provisions in respect of Regulation No. 3.

In its covering letter the Commission said that the draft was in response to a request made to it on 21 December 1961 during discussions with the Council on the adoption of Regulation No. 16. The draft regulation concerns child allowances for persons sent by their employer to work for a time in a country other than that in which they usually work.

#### Auditing Committee attached to the Administrative Committee for the Social Security of Migrant Workers

31. The Auditing Committee held its 11th session in Brussels on 10 and 11 January 1963.

As requested by the Administrative Committee the Committee resumed work on simplifying the procedures in granting and calculating charges for benefits in kind; this study will be resumed at subsequent meetings so that a general report on the matter can be submitted without delay.

### **Labour problems**

#### Working hours

32. A meeting of Government experts was held in Brussels on 18 January to study working hours on the basis of a document drawn up by the Commission with a view to the adoption of common definitions. Discussion centred on the studies to be made by the joint groups on the working day and week and on the working year.

## Labour relations

33. The 4th meeting of the working party on labour relations composed of employers' and workers' representatives was held in Brussels on 23 January.

The members of the working party received up-to-date information on trends in collective wage agreements in the Community countries and on studies that are particularly important for the working party's future activities. They then studied a working document containing an index to contractual clauses in these agreements.

## Inquiries into industrial wages

34. At a meeting on 15 and 16 January, the Government experts and workers' and employers' representatives in the working party on wages in Community industries approved the analysis of the findings of the second inquiry into wages in eight industries conducted by the Statistical Office of the European Communities. The experts recommended that these findings be published as soon as possible.

The experts also came to an agreement on certain outstanding points regarding the normalization of current wage statistics. As from April 1964 the national figures for earnings will be compiled in April and October every year on the basis of standard methods, definitions and terminology for the six Community countries.

## European Social Fund

35. The amendment of Regulation No. 9 concerning the European Social Fund was debated in the European Parliament on 7 February 1963. A resolution was adopted on the draft regulation amending Regulation No. 9 submitted to the Council by the Commission. Extracts from this are given in the Annex.

In her introductory report Mme. Ilse Elsner (Germany, Socialist) said that the Commission's draft regulation had only limited practical scope, that amendments to the regulation in force were based very much on administrative consideration, but that the inclusion of disabled persons was the first step towards widening the powers of the Social Fund. Since in general there was little unemployment in the Community, Mme. Elsner felt that efforts should be directed towards the provision of housing for families of migrant workers and that encouragement should be given to the establishment in depressed areas of industries that could take unskilled workers.

M. Troclet (Belgium, Socialist), chairman of the Social Committee, said that the Commission should at an early date consider overhauling more extensively the machinery of the Fund so that in due course it could fulfil its purpose as a means of resettling workers.

M. Edoardo Martino (Italy, Christian Democrat) thought that the organization and working methods of the Fund needed rationalizing. He suggested that it should be made responsible for Community pilot schemes and for creating development zones in backward areas.

M. Kreyssig (Germany, Socialist) said that consideration should be given to the criticism of the auditors of the Fund.



M. Sabatini (Italy, Christian Democrat) said that he would like to see the Commission make more use of its powers of initiative in broadening the activities of the Fund.

Replying to the debate, M. Caron, a Vice-President of the Commission, said that the Commission also hoped better use would be made of the Social Fund, and he undertook to submit new concrete proposals to the Council. The sole purpose of the changes suggested by the Commission was to find practical solutions for the administrative problems that had been encountered; he added that the Fund had so far had a very short life since it had not really commenced operations until the middle of 1961.

Applications for aid from the Fund, said M. Caron, had amounted at 31 December 1962 to 36 700 000 units of account, and 183 000 unemployed, 148 000 of them Italian, has been helped by the Fund.

In conclusion M. Caron said that the Commission would take into consideration the suggestions made in the debate.

At its meeting on 30 and 31 January 1963, the Economic and Social Committee rendered an opinion approving the Commission's proposal without reserve.

## **AGRICULTURE**

### **Common agricultural policy**

#### **Price policy**

36. In January the Community institutions were busy with the Commission's proposals for a Council regulation on the criteria to be observed in fixing target prices for agricultural products <sup>(1)</sup>. This sets out the principles that should govern the Community's price policy for those agricultural products which are to be subject to fixed prices.

The Council continued its study of these proposals at its sessions of 14, 16 and 28 January.

The meeting of the Agricultural Committee of the European Parliament on 16 and 17 January was followed on 7 and 8 February by a Parliamentary debate on the Commission's proposal.

Discussion centred on the order of importance of the three groups of criteria for fixing agricultural prices put forward by the Commission : incomes of persons engaged in agriculture, the orientation of production in relation to demand and criteria concerning general economic development.

Speakers in the debate were Mme Strobel (Germany, Socialist) who favoured several amendments that were not upheld, M. Blondelle (France, Liberal), M. Charpentier (France, Christian Democrat), M. Marengi (Italy, Christian Democrat), M. Dupont (Belgium, Christian Democrat), M. Van der Ploeg (Netherlands, Christian Democrat), M. Kapteyn (Netherlands, Socialist),

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<sup>(1)</sup> See Supplement to Bulletin No. 12-62.

M. Lücker (Germany, Christian Democrat), M. Boscary-Monsservin (France, Liberal) and the rapporteur M. Briot (France, Liberal). Most of these speakers felt that the first group of criteria was the most important, since the ultimate aim was to secure a fair income for those who worked on farms; others thought that the criteria should be taken together in an endeavour to achieve equilibrium between supply and demand and to safeguard the interests of consumers. It was also suggested that if all the criteria were applied at one and the same time the price paid to farmers would just be political prices, i.e. be fixed by Governments in relation to circumstances and without a valid basis. The question also arose of how far the Community should be called upon to shoulder financial burdens in order to help exports to compete on world markets.

In his reply M. Mansholt, a Vice-President of the Commission, welcomed the broad measure of agreement that had been reached. He was opposed to a system of priorities among the criteria, as this might hamper those responsible for the common agricultural policy. He noted that the Committee on Agriculture had not said that all the criteria need be taken into consideration at the same time. He also reminded the Parliament that, according to Article 39 of the Treaty of Rome, one objective of the 'common agricultural policy was to ensure a fair standard of living for the agricultural population and this, he said, was a point which the Commission had constantly in mind.

The resolution adopted by the Parliament puts forward for inclusion in the draft regulation a more precise definition of the idea of a "fair" income for farm workers, i.e. "comparable to that earned by various types of workers in other corresponding occupational groups". The Parliament also considered that prices on the world market were valid factors for comparison only to the extent that the foodstuffs to which they applied came from producers working under similar conditions who could supply the same quality and sufficient quantities of the commodity concerned.

## **Market policy**

### **Common organization in the further markets**

37. The Council (at two sessions on agriculture in January), the Special Committee for Agriculture and the groups of experts continued studying the Commission's proposals for setting up common organizations in the markets for rice, milk and dairy products, and beef and veal.

With *rice*, the main question was how the proposed system would affect the rice-processing industries in the northern part of the EEC.

As regards *milk and dairy products*, consideration was given to the possible extension of intervention to products other than butter (cheese, skim milk powder) and the links between the market for fats and the market for dairy products.

Further progress in the *beef and veal* sector was made possible by a fresh version of the main articles concerning guide prices and the choice of markets for reference prices in non-member countries.

## Working of the common organizations

### a) *Cereals market*

38. At its session of 28 January the Council adopted two regulations (1). Under these, certain provisions of Council Regulation No. 55 concerning bran are temporarily replaced (new arrangements for the variable component of the levy applicable to bran) and the period of validity of Council Regulation No. 156 is extended until 15 March 1963 (reduction of levies on imports of certain quantities of flour and starch of manioc and other roots and tubers originating in the associated African and Malagasy States).

### b) *Pigmeat market*

39. In Regulation No. 1/63 of 16 January 1963 the Council decided to postpone until 1 May 1963 the effective date of the levy system for pork imported in pieces smaller than half a carcass, for sausages and canned pork (2).

In accordance with the opinion of the Pigmeat Management Committee, the Commission adopted EEC Regulation No. 2/63 of 21 January 1963 amending Commission Regulations Nos. 109 and 110 as regards the definition of the supply price for live sows for slaughter and sow carcasses (3). The new regulation makes arrangements for putting into force the sluice-gate prices applicable both to non-member countries and in intra-Community trade.

### c) *Egg market*

40. The Commission has authorized France, which invoked Articles 3 and 4 of Council Regulation No. 21, to reduce by FF 0.03 until 31 January 1963 the levy applicable to eggs in shell intended for consumption (4). Having obtained the opinion of the Poultrymeat and Eggs Management Committee, the Commission adopted Regulation No. 4/63 of 29 January which reduces the additional levy on poultry imported from non-member countries from 0.0625 to 0.05 units of account per kilogramme (5).

Acting on a report by M. Marengi, the European Parliament unanimously adopted a resolution on 7 February on the draft Council regulation concerning the determination of the quantity of feed grains necessary for the production of one kilogramme of poultry eggs for hatching and the stamping of eggs for hatching.

The Parliament proposed a different date for the entry into force of the regulation. It considered that Member States should be obliged, and no longer simply entitled, to refuse to import from non-member countries eggs for hatching which had not completed the prescribed formalities.

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(1) See official gazette of the European Communities, No. 18, 1 February 1963.

(2) *Ibid.*, No. 9, 22 January 1963, pp. 61-63.

(3) *Ibid.*, No. 12, 25 January 1963, pp. 137-163.

(4) *Ibid.*, No. 7, 19 January 1963, pp. 49-63.

(5) *Ibid.*, No. 16, 30 January 1963.

#### d) *Fruit and vegetable market*

41. At its meeting on 29 January the Fruit and Vegetable Management Committee approved a draft Commission regulation, extending until 31 May 1963, the temporary arrangements for the sorting of oranges in bulk.

#### Advisory committees

42. In accordance with the Commission's decision of 18 July 1962 <sup>(1)</sup> that advisory committees should be set up for each of the commodities and groups of commodities subject to a common organization of the market, the first five committees — for cereals, pigmeat, poultrymeat and eggs, fruit and vegetables and wine — were established at the end of 1962 <sup>(2)</sup>.

In each case the members of the committee, who were appointed by the Commission from lists proposed by the agricultural organizations, elected as chairman a representative of the producers.

The chairmen and vice-chairmen of these advisory committee are as follows :

*Cereals Committee* : Chairman : M. Deleau; Vice-chairmen : MM. Berteau, Lequin.

*Pigmeat Committee* : Chairman : M. Blume; Vice-chairmen : MM. Meyer, Couvrecelle.

*Poultry and Eggs Committee* : Chairman : M. Tukker; Vice-chairmen : MM. Van Dessel, Kikkert.

*Fruit and Vegetables Committee* : Chairman : M. Hiemeleers; Vice-chairmen : MM. Müller, Sulter.

*Wine Committee* : Chairman : M. Visocchi; Vice-chairmen : MM. Seguin, Schmalz.

Representatives of trade and industry expressed their willingness to enter into close co-operation with the Commission in these committees.

The Wine Committee held its second meeting on 8 January 1963 when it gave its point of view on the future system for quality wines produced in certain areas.

#### **Fisheries conference**

43. The Commission had announced in January 1962 that it intended to call a conference on fisheries. On 16 and again on 28 January 1963 the Council discussed the date of this conference, and whether countries from outside the Community should also be invited. The Council decided to continue this discussion at its session on 18 and 19 February.

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(1) See Bulletin No. 9-10-1962, Chap. V, sec. 54.

(2) See official gazette of the European Communities, No. 14, 29 January 1963.

## **Statistics**

### **Oils and fats**

44. The working parties on production statistics and supply balance-sheets attached to the Committee for Agricultural Statistics met in Brussels on 29 and 30 January to study supply balance-sheets for the fats and oils sector. It was decided that before they were published these balance-sheets should be further discussed at a forthcoming meeting of the two working parties. It is expected that the material to be published will contain a great deal of information that has not so far been available in international statistics.

### **Agricultural labour**

45. Meeting on 3 and 4 January, the working party on agricultural manpower statistics studied a basic programme of principles which, if applied in future in the member countries, would help to standardize agricultural labour statistics.

## **TRANSPORT**

### **The common transport policy**

#### **Work in the Council**

46. At its 93rd session on 25 January the Council continued its study of matters involved in the common transport policy. It instructed the Permanent Representatives to review the draft resolution which had provided the basis for discussion and to extend the list of proposed measures if this should be found necessary.

The Council also dealt with two documents from the European Commission concerning its relations with other international organizations and the work on transport in which it is working together with the High Authority of the European Coal and Steel Community.

#### **Debate in the European Parliament**

On 6 and 7 February 1963 the European Parliament debated the programme for implementation of the common transport policy on the basis of a report presented by M. Brunhes (France, Liberal) on behalf of the Transport Committee. In general this committee approved the EEC Commission's programme containing, as it did, general principles as well as practical measures for implementing the common policy; M. Brunhes was, however, of the opinion that the question of passenger transport should be reconsidered.

Speakers in the debate which followed included M. Battistini (Italy, Christian Democrat), chairman of the Transport Committee, who commented briefly on

the report, M. Troclet (Belgium, Socialist), in his capacity as chairman of the Social Committee, M. Janssen (Netherlands, Christian Democrat), M. Müller-Hermann (Germany, Christian Democrat), M. Kapteyn (Netherlands, Socialist) and M. Faller (Germany, Socialist).

M. Troclet went into the social aspects of the programme and was sorry to note some changes which led him to believe that the Transport Committee did not intend to pay as much attention to the social aspect of the matter as the EEC Commission had done. He was surprised that the Social Committee had not been consulted by the Transport Committee on the proposed changes.

M. Janssen agreed with the substance of M. Brunhes' report but would have liked to see more attention paid to fiscal matters.

M. Müller-Hermann noted that the Mannheim Convention which governs navigation on the Rhine was not mentioned in the Brunhes report. Under this Convention, no contribution to infrastructure can be exacted from those using the Rhine, and the speaker asked that the possibility of altering certain provisions in this Convention should be studied.

While agreeing with M. Müller-Hermann, M. Kapteyn maintained that the emphasis should be on controlling capacity rather than rates which were often fictitious.

M. Faller feared that progress was being made too rapidly in liberalization but not fast enough in harmonization. He also supported M. Müller-Hermann's proposal for a possible revision of the Mannheim Convention.

Replying to the speakers, M. Brunhes said that there was no telling what changes could be made in the Mannheim Convention since this also concerned other countries such as Switzerland, Austria, the United Kingdom, Canada and the United States.

M. Schaus, a member of the EEC Commission, agreed with M. Brunhes on the main lines to be followed and said that the Commission would study the report and follow up as far as possible the advice, suggestions and requests it contained.

He reviewed the main points raised by the programme: timing, transport rates and conditions, publication of rates, harmonization in social, fiscal and technical matters and the question of passenger and goods transport by road.

M. Schaus agreed that the Mannheim Convention must be interpreted in the light of the current situation and not from the standpoint of 1868; ways would therefore have to be found of negotiating with non-member States represented on the Central Commission for the Navigation of the Rhine.

After M. Battistini had summed up the debate, the Parliament adopted a resolution calling on the EEC Commission to adopt the changes in the timetable for implementing the common transport policy proposed in M. Brunhes' report. It also instructed the Transport Committee to follow closely the way the Council and the EEC Commission shaped the common transport policy.

## **Support tariffs**

47. On 14 January the Commission gave premission for special tariff 8 B 7 in the goods tariffs of the Federal railways and the German road tariff to be maintained indefinitely. In arriving at its decision the Commission had been influenced by the fact that the items affected were particularly important for Schleswig-Holstein, one of the least developed areas in the Federal Republic. It was, however, made clear that if the Commission found, either at the request of a Member State or on its own initiative, that the decision was no longer justified, it could be amended or revoked.

## **Transport Committee**

48. The Transport Committee met in Brussels on 9 and 10 January 1963. It studied the views of the ad hoc working party (Working Party IV) concerning the abolition of double taxation in international road transport. The Committee gave its opinion on the matter as requested by the Commission.

## **Road transport quotas**

49. After meeting on 23 November 1962, the national experts met in Brussels for a second time on 7 and 8 January. They studied how bilateral quotas in the transport of goods by road for hire or reward could be adapted and rearranged.

## **Standardization on inland waterways**

50. The sub-committee on European-type vessels met on 28 and 29 January to consider the specifications for the "Mississippi" barge of 70 by 9.5 metres (European-type A) and ways of extending and encouraging the determination of standard European vessels:

Since it looks as though study of the self-propelled vessel of 80 by 9.5 metres can be completed in the current year, the sub-committee decided to embark without further delay on the second phase of standardization during which they would deal with a 1 000-ton self-propelled vessel, a barge with maximum dimensions of 76.5 by 11.4 metres and a 700-ton self-propelled craft which is particularly of interest to the self-employed boatman.

The sub-committee also studied the findings of the inquiry into the economic consequences of the standardization on inland waterways in Europe which had been carried out by independent experts at the Commission's request.

## **Meeting with the Central Commission for the Navigation of the Rhine**

51. Following a request by its chairman, a delegation from the Central Commission was received on 29 January by M. Minoletti, Director General for Transport in the EEC Commission. The delegation, which was led by the Secretary General, M. Walther, and composed of experts from the Rhine

Consortium, came to discuss difficulties being encountered in Rhine navigation mainly as a result of certain tariff measures taken by the German and French railways. The delegation suggested ways and means of rectifying the situation.

### **Inter-executive meeting on transport**

52. Representatives of the EEC Commission and the ECSC High Authority held an inter-executive meeting on transport on 14 January. They resumed their study — begun on 14 December 1962 — of the effects produced by implementation of the High Authority's recommendation No. 1/61 concerning publication of rates and conditions for the carriage of ECSC products. They also discussed measures for putting into effect the EEC programme for implementation of the common transport policy.

## **OVERSEAS DEVELOPMENT**

### **Renewal of the Association Convention**

53. On 8 February, after hearing a report by M. Margulies (Germany, Liberal), the European Parliament adopted a resolution asking the EEC Council and Commission and the Parliaments of the Member States to ensure that the Association Convention comes into force as soon as possible.

M. Margulies considered it "indispensable and urgent" that the Parliament should make its position clear on this point because of tendencies in some quarters, since the events of January, to link "problems between which there was no real connection". He recalled that the European Parliament had always been unanimous in its view that the new Association was of "very great political and economic significance".

M. Dehousse (Belgium, Socialist) also said that it was a question of "preserving the Convention and of bringing it to a successful conclusion". M. Caron, a Vice-President of the Commission, said that the Commission's feelings on the subject were well known and that it would do everything in its power to comply with the Parliament's wishes.

### **Collaboration with the Afro-Malagasy Organization for Economic Co-operation**

54. At the invitation of the Afro-Malagasy Organization for Economic Co-operation (OAMCE), the Community was represented at a meeting of customs experts convened by that Organization from 16 to 19 January in Paris.

The meeting was called to draw up a common customs code for all members of OAMCE. The experts put the finishing touches to the code, which is the first important step on the way to that harmonization of laws and regulations which should be encouraged among the overseas associated States themselves and between them and EEC.



## **Scholarships, training periods and seminars for nationals of the associated overseas States**

55. At the beginning of the 1962-1963 academic year, the Commission, which had awarded 350 scholarships the previous year, was obliged to extend a considerable proportion of these to enable the holders to finish their studies. The Governments of the associated States had also put forward a large number of candidates for more scholarships.

To meet this twofold need the Commission granted 450 scholarships (including extensions) within the limits of its budget.

On 7 and 8 January 1963 there was a seminar in Brussels for a group of Commonwealth experts on a visit organized by the English-Speaking Union.

### **Visit of African leaders**

56. On 30 January 1963 the President of the Republic of Dahomey, M. Hubert Maga, and the President of the Republic of Niger, M. Hamani Diori, visited Professor Walter Hallstein, President of the Commission. M. Henri Rochereau, member of the Commission and President of the Overseas Development Group, was present.

The Dahomey delegation was made up of M. Bertin Borna, Minister of Finance, M. Emile Poisson, former Minister and Ambassador to the EEC, and M. François Aplogan, former Minister and head of the Planning Commission.

The members of the Niger delegation were M. Yacouba Djibo, Minister of Agriculture, M. Amadou Mayaki, Minister of Industry and Commerce, and M. Georges Condat, Ambassador to the EEC.

On behalf of the Commission M. Henri Rochereau gave a lunch in honour of President Maga and President Diori and their delegations. A working meeting was held in the Directorate General for Overseas Development to study questions of financing by the European Development Fund, with particular reference to the scheme for improving communications in Dahomey and Niger.

### **European Development Fund**

#### **Economic projects**

57. In January 1963 the Council, acting on proposals by the Commission, approved the financing by the European Development Fund of the following six economic projects:

#### **In the Republic of Congo (Leopoldville)**

a) Two projects under a scheme for developing the country's roads. They will improve communications between different areas and facilitate the transport of considerable quantities of agricultural produce.

- i) The improvement of the Ituri road over 129 km., at a cost of 4 415 000 units of account;
  - ii) Improvement of the road from Kwango to Kenge, at a cost of 2 462 000 units of account.
- b) Purchase of ten tank wagons for the Boma-Tshela railway, which is run by the Otraco (Congo Transport Office). The cost is 92 000 units of account.

#### In the Republic of Ivory Coast

In the south-east of the Ivory Coast: 4 700 hectares of selected oil-palm plantations, including the provision of essential technical assistance and supervisory staff.

This operation should lead to an increased output of at least 10 000 metric tons of palm oil in the Ivory Coast, in ten years.

The investment is estimated at about 4 659 000 units of account.

#### In the Republic of Dahomey

Provision of essential facilities for the new port being built at Cotonou (road and rail links, water and electricity).

The investment is estimated at roughly 1 863 000 units of account.

### *SOCIAL PROJECTS*

58. Also in January the Commission approved the financing of three social projects.

In Surinam (two projects submitted by the Netherlands Government)

The construction of accommodation for 150 primary and infant classes; 58 of the new classrooms will replace dilapidated or temporary accommodation.

The scheme is estimated to cost 799 000 units of account.

Reconstruction of the central market at Paramaribo, at a cost of 1 326 000 units of account.

#### In the Republic of Chad

A geological and hydrological survey in the Bol-Guini polder on the shores of Lake Chad. This scheme is part of a large-scale programme to reclaim the low-lying ground on the shores of the Lake. Polders are to be created on which wheat can be grown, totalling 6 000 tons to begin with.

The estimate for the scheme is about 138 000 units of account.

# OPERATIONS OF THE EUROPEAN DEVELOPMENT FUND

Financing approved at 31 January 1963

(in thousand units of account)

Country or territory	Number of projects	Amount
Congo (Leopoldville)	11	12 451
Rwanda	10	4 844
Burundi	8	2 513
<b>Total</b>	<b>29</b>	<b>19 808</b>
Algeria (incl. Sahara)	9	20 427
Cameroun	23	42 615
Central African Republic	18	12 117
Chad	16	23 498
Comoro Islands	6	2 636
Congo (Brazzaville)	13	14 637
Dahomey	16	14 850
French Guiana	1	2 005
French Somaliland	2	1 255
Gabon	13	12 866
Guadeloupe	3	4 211
Ivory Coast	17	32 946
Madagascar	35	48 503
Mali	22	30 242
Martinique	2	4 567
Mauritania	9	12 336
New Caledonia	5	1 560
Niger	5	24 630
Polynesia	1	2 474
Réunion	4	5 328
Saint-Pierre-et-Miquelon	1	3 545
Senegal	19	34 606
Togo	17	13 408
Upper Volta	10	24 793
Group of States	2	5 132
<b>Total</b>	<b>269</b>	<b>395 187</b>
Somalia	4	4 760
New Guinea	8	13 334
Surinam	2	2 125
<b>Total</b>	<b>10</b>	<b>15 459</b>
<b>Grand total</b>	<b>312</b>	<b>435 214</b>

## *SIGNATURE OF FINANCING AGREEMENTS*

59. The following financing agreements for economic projects were signed during January :

- a) With the Kingdom of Burundi (1 020 000 units of account).
- b) With the Territory of French Somaliland (513 000 units of account).
- c) With the Republic of Cameroun (15 000 000 units of account).
- d) With the Republic of Ivory Coast (4 659 000 units of account).
- e) With the Malagasy Republic (3 054 000 units of account). This agreement also relates to a social project.

## **DEVELOPMENT AID**

### **Technical co-operation in the framework of OECD**

60. The Community was represented at the meeting of the Technical Co-operation Working Party of the Development Assistance Committee (DAC) and the Technical Co-operation Committee of OECD in Paris from 8 to 11 January 1963.

The meeting of the Working Party dealt chiefly with the annual review of technical assistance, the analysis of Members States' technical assistance programmes and the preparation of a considerable programme for the future.

The Technical Co-operation Committee discussed the reduction, in view of the budget situation, of OECD's technical assistance programme and the assessment and circulation of consultants' reports on certain problems of the member countries.

### **Mission to draw up a recovery plan for the Congo (Leopoldville)**

61. At the request of the Congolese Government, the Commission has been organizing a mission to study the economic, financial, administrative and social recovery of the Congo. The mission will be made up of some twenty experts from EEC member countries, who will go to the Congo and discuss the plan with the Leopoldville Government.

The experts will first carry out a thorough analysis of the current situation and will then make concrete proposals for various schemes, graded according to their urgency as part of a short-term plan and detailing the practical means available for their realization.

As the team will be in the Congo for about four months only, it will not be able to do more than sketch the broad outline of a programme for the short term.

Although the European Development Fund is to play a major part in financing the operations proposed under the recovery plan, other avenues will also have to be explored to find the necessary funds (bilateral assistance, UN agencies, private capital, etc.).

The mission is to be instructed to examine the overall situation in the Congo, but in the first stage it will endeavour to delimit priority areas in which action seems most urgent and from which the recovery plan can radiate to the rest of the country.

The team will be divided into nine sections : general economy, public finance and monetary problems, farming and stock-breeding, communications, industry, mining, energy, social situation and administration. The combined report, to be prepared by the general economy section, will ensure the best possible co-ordination by region and by sector.

The central Government of the Congo will itself set up a special committee of representatives from the relevant Ministries and from the private sector to co-operate closely with the team sent out by the Commission.

### **Campaign against foot-and-mouth disease**

62. On 25 January the Commission sent the Council a proposal for Community participation in the campaign against the outbreak of foot-and-mouth disease now raging in the Middle East and spreading towards Europe. The Commission suggests that a draft supplementary budget for 1963 be introduced to provide 1 500 000 units of account for the campaign.

## **ADMINISTRATIVE AFFAIRS**

### **Commission's rules of procedure**

63. On 9 January 1963 the Commission adopted its rules of procedure. The text was published in the official gazette of the European Communities, No. 17, 31 January 1963.

### **Staff movements**

64. M. G. Amiet, head of the Development and Implementation of the Common Policy Division in the Agricultural Markets Directorate (of the Directorate General for Agriculture), has been appointed Director for the Organization of the Markets in Livestock Products of the same Directorate General.

M. A. Pizzuti, head of the Specialized Crops and Processed Products Division in the Agricultural Markets Directorate (of the Directorate General for Agriculture), has been appointed Director for the Organization of the Markets in Specialized Products, Fishery and Forestry in the same Directorate General.

M. H. Krohn, head of the Balances and Research Division in the Agricultural Markets Directorate (of the Directorate General for Agriculture), has been appointed Director of Agricultural Economy and Legislation in the same Directorate General.

## **Operational accounts and balance-sheets of the Community**

65. On 6 February the Parliament, after a report by M. Kreyssig (Germany, Socialist), finally adopted the operational accounts at 31 December 1961, amounting to 197 047 769.57 Belgian francs.

The Parliament also recommended that, after examining the operational accounts and balance-sheets of the EEC and EAEC Commissions and the Audit Board's report, the Councils grant the two Commissions discharge in respect of the financial years 1960 and 1961.

In the course of the debate M. Schaus, a member of the EEC Commission, noted that the question of the Communities' own resources had been raised during the negotiations with the United Kingdom and observed that there was little point in the Community having funds if it could not dispose of them as it wished.

## **Statute of Service**

66. After comments by M. Schaus, the Parliament adopted without debate a resolution giving a favourable opinion on the adoption of regulations to amend Articles 108 and 109 of the Statute of Service for officials of the EEC and the EAEC.

# VI. Institutions and organs

## A. THE PARLIAMENT

The European Parliament met in plenary session from 4 to 8 February 1963, M. Gaetano Martino presiding.

Much of the session was given over to an important political debate on the interruption of negotiations with the United Kingdom; this is reported in Chapter I above.

Apart from this, the ordinary agenda was fairly heavy. M. Marjolin, a Vice-President of the Commission, presented a report on the Community's economic situation and prospects, extracts from which are given in Chapter II of this Bulletin. Further, eleven reports were discussed and seventeen resolutions voted — the latter relating mainly to the common transport policy, the criteria for target prices for farm products and the European Social Fund. A resolution was also adopted calling for the early putting into force of the Association Convention with the African States and Madagascar.

Opening the session, M. Martino paid tribute to M. Robert Schuman, Honorary President of the European Parliament, on his retirement from political life. M. Martino also gave an account of the recent conference of the Presidents of the Parliaments of the Six and the European Parliament.

Below we list in chronological order the resolutions of the Parliament; the debates thereon are reported, where appropriate, in the relevant section of the chapter "Activities of the Community".

Resolution closing the accounts of the European Parliament on 31 December 1961 (see Chap. V, sec. 65).

Resolution on the operational accounts and balance-sheets of the EEC and Euratom Commissions for 1960 and 1961 and on the reports of the Audit Board on the accounts for 1960 and 1961 (see Chap. V, sec. 65).

Resolution containing the opinion of the European Parliament on the proposals relating to :

a) the regulation amending Articles 108 and 109 of the Statute of Service for officials of the EEC,

b) the regulation amending Articles 108 and 109 of the Statute of Service for officials of the EAEC (see Chap. V, sec. 66).

Resolution on the action programme for the common transport policy (see Chap. V, sec. 46).

Resolution containing the opinion of the European Parliament on the Council Regulation fixing the amount of coarse grain required to produce one kilogramme of poultry eggs for hatching and on the stamping of eggs for hatching (see Chap. V, sec. 40).

Resolution on the European gas industry (see extracts in Annex).

Resolution containing the opinion of the European Parliament on the draft regulation concerning criteria in fixing target prices for farm produce (see Chap. V, sec. 36).

Resolution containing the opinion of the European Parliament on the draft regulation amending Regulation No. 9 concerning the European Social Fund (see extracts in Annex).

Resolution on the draft directive submitted to the Council by the EEC Commission on freedom of establishment and freedom to supply services in connection with wholesale trade (see Chap. V, sec. 15).

Resolution on the draft directive submitted to the Council by the EEC Commission on freedom of establishment and freedom to supply services in occupations serving trade and industry (see Chap. V, sec. 15).

Resolution on putting into effect the new Association Convention (see Chap. V, sec. 53).

Resolution containing the opinion of the European Parliament on the draft directive of the EEC Commission removing all prohibitions on or other obstacles to payments for services where payment restrictions are the only limiting factor on their supply (see Chap. V, sec. 16).

Resolution containing the opinion of the European Parliament on the draft directive submitted to the Council by the EEC Commission on the execution of the General Programme for the removal of restrictions on freedom to supply services in the film industry (see Chap. V, sec. 17).

Resolution containing the opinion of the European Parliament on the draft directive of the EEC Commission for the removal of restrictions on travel and residence by nationals of Member States within the Community as they affect freedom of establishment and freedom to supply services (see Chap. V, sec. 18).

Resolution on the draft directive submitted to the Council by the EEC Commission on the removal of restrictions on freedom of establishment and freedom to supply services in reinsurance and retrocession (see Chap. V, sec. 19).

On 8 February, M. Vanrullen, the sitting President, declared the session adjourned until 25 March 1963.

## **B. THE COUNCIL**

91st session (agriculture)

The 91st session of the Council, which dealt with agricultural questions, was held on 14 and 16 January, 1963. M. Emile Schaus, Luxembourg Minister of Agriculture, presiding. (See also Chap. V, sec. 36.)

The Council adopted a regulation postponing the application of the levy system to certain pigmeat products (sides) until a date not later than 1 May 1963.



It considered arrangements for a conference of Member States on fishery problems which the Commission proposes to hold. This matter will be further discussed at a later meeting.

The Council also studied draft regulations on the progressive establishment of a common organization of markets for rice, milk and dairy products and beef.

After a preliminary discussion the Council instructed the Special Committee for Agriculture to devote its next meeting to a close study of the draft regulation on criteria for fixing target prices for agricultural products.

92nd session (24 January 1963)

*Trade relations with State-trading countries*: The Council formally adopted, in the Community languages, the regulation on trade relations with State-trading countries as regards products covered by Regulation No. 19 (cereals), 20 (pig-meat), 21 (eggs) and 22 (poultry meat). (See Chap. V, sec. 2.)

This regulation comes into force on 1 February 1963; it will apply until 31 December 1964 and the Commission is to submit proposals to the Council in due course regarding the system to be applied after that date.

The regulation introduces a system of import controls, operating by so-called "indicative amounts". It also sets up a Community procedure to apply when imports of a given product from State-trading countries exceed the average 1960 and 1961 imports by more than 20 %. This procedure also comes into operation if the market in one or several Member States suffers or is threatened by serious disruption likely to jeopardize the attainment of the agricultural objectives of the Treaty.

*Associated African States and Madagascar (AASM)*: The Council agreed that the signature of the Convention of Association between the EEC and the associated African States and Madagascar should take place at Yaoundé (Cameroun).

93rd session (transport)

The Council's 93rd session, on 25 January, dealt with transport questions. M. Pierre Grégoire, Luxembourg Minister of Transport, presided. (See Chap. V, sec. 46.)

The Council dealt with a number of matters relating to the common transport policy. It instructed the Committee of Permanent Representatives to re-examine the draft resolution before it in the light of the discussions, and to add to the list of proposed measures where appropriate.

The Council received two communications from the Commission, one on the Commission's relations with other international organizations dealing with transport and the other on transport studies carried out jointly by the High Authority of the European Coal and Steel Community and the EEC Commission.

94th session (agriculture)

The Council's 94th session, on 28 January, dealt with agricultural questions. M. Emile Schaus, Luxembourg Minister of Agriculture, presided.

As decided at the meetings on 14 and 16 January, the Council again considered the question of fixing target prices for agricultural products; it noted the progress made on the draft regulations for rice, dairy products and beef and instructed the Special Committee for Agriculture to continue its work on this subject.

The Council approved a regulation on bran and one on roots and tubers originating in the associated African States and Madagascar. (See also Chap. V, sec. 38.)

The Council resumed consideration of the draft regulation on criteria for fixing target prices for agricultural products.

The Council approved the terms of a reply to the letter of 10 December 1962 from M. Spyros Kyprianou, Minister for Foreign Affairs of the Republic of Cyprus, in which he requested that negotiations be opened with a view to the association of Cyprus with the EEC.

This letter was dispatched the same day by M. Eugène Schaus, the sitting President of the Council.

The Council also approved the terms of a reply to the letter of 24 December 1962 from M. Ben Bella, President of the Council of the Algerian Republic, proposing that discussions be held on the form of future relations between Algeria and the Community.

This letter was also dispatched the same day.

## **C. THE COURT OF JUSTICE**

### **Appointment of a judge**

On 24 January, the Representatives of the Governments of the Member States appointed M. Walter Strauss a Judge of the Court of Justice of the European Communities, to take the place of M. Otto Riese, who has resigned. The appointment is for the residual period of M. Riese's term of office and will expire on 6 October 1964.

M. Walter Strauss was born in Berlin on 15 June 1900. He is a Doctor of Law of Heidelberg University and has been an assistant judge in Berlin courts; in 1928 he joined the Ministry of Economics. He was retired under the national socialist regime on 31 March 1935. In 1946 he was appointed State Secretary for Federal Affairs in the Government of Land Hesse and a member of the Federal Council in Stuttgart; in 1948-1949 he was a member of the Parliamentary Council. From 20 September 1949 he was State Secretary in the Federal Ministry of Justice.

The Representatives of the Governments of the Member States expressed their deep gratitude to M. Riese for the outstanding service he has rendered to the cause of Europe and for the ability and devotion to duty he showed as a Judge of the Court of Justice of the European Communities from the inception of this institution.

## D. THE ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee held its 25th session on 30 and 31 January 1963 in Paris under the chairmanship of M. Roche.

M. Levi Sandri, a member of the EEC Commission and President of the Social Affairs Group, represented the Commission for the two items on the agenda dealing with social matters.

During this session, the Committee formulated the following opinions :

1. *Opinion on the draft directive for the removal of restrictions on freedom of establishment and freedom to supply services in reinsurance and retrocession.*

The opinion was adopted *nem. con.* with one abstention <sup>(1)</sup>.

This proposal, submitted by the Commission to the Council, had been referred to the Committee on 10 October 1962.

The Committee approved the draft directive, subject to certain recommendations and amendments, including that Article 3 of the directive be amended to convey that the list of restrictions it contained was not to be considered as exhaustive but simply indicative.

2. *Opinion on the draft directive on freedom of establishment and freedom to supply services in connection with wholesale trade.*

The opinion was adopted unanimously.

This proposal, submitted by the Commission to the Council, had been referred to the Committee on 10 October 1962.

The Committee approved the draft directive, subject to certain comments and amendments.

The Committee urged that the Member States adopt and apply this directive as soon as possible together with the directive on freedom of establishment and freedom to supply services in occupations serving trade and industry.

3. *Opinion on the draft directive on freedom of establishment and freedom to supply services in occupations serving trade and industry.*

The opinion was adopted unanimously.

This proposal, submitted by the Commission to the Council, had been referred to the Committee on 10 October 1962.

The Committee approved the draft directive, subject to the same comments and amendments as the wholesale trade directive and certain technical clarifications.

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(1) M. Wijnmaalen (Netherlands, third group) abstained, explaining that he did so for political reasons following the breaking off of negotiations between Great Britain and the EEC.

4. *Opinion on the draft regulation and directive on the free movement of workers within the Community.*

The opinion was adopted *nem. con.* with eight abstentions.

This proposal, submitted by the Commission to the Council, had been referred to the Committee on 25 October 1962.

The opinion was introduced by M. Levi Sandri, who laid emphasis on the great strides that this second regulation and directive represented, in comparison with the first regulation of 16 August 1961 (No. 15).

The Committee recommended that the proposals be adopted, subject to certain amendments and additions.

Among the Committee's proposals the following should be noted: that foreign workers be eligible for employees' representative bodies; that a single tripartite committee (Committee for the Free Movement of Workers) be set up instead of the two committees proposed by the Commission (Consultative and Technical Committees); that a new Community centre be set up with responsibility for housing problems; that the regulation be extended to cover refugees and stateless persons.

5. *Opinion on the draft regulation amending Regulation No. 9 on the European Social Fund.*

The opinion was unanimously adopted.

This proposal, submitted by the Commission to the Council, had been referred to the Committee on 25 October 1962.

The Committee unreservedly approved the proposed amendments to Regulation No. 9 on the European Social Fund.

The Committee decided to hold its next session on 28 and 29 March 1963.

## **E. THE MONETARY COMMITTEE**

The Monetary Committee held its 47th session on 28 and 29 January 1963 under the chairmanship of M. E. van Lennep.

It reviewed the monetary and financial situation of Italy. In conformity with the First Directive pursuant to Article 67 of the Treaty, the Committee also continued its second annual review of existing restrictions on capital movements and studied obstacles arising from causes other than exchange regulations.

The Committee's conclusions were submitted to the Commission in the form of a report. The Committee also had an initial discussion on its annual report.

## ANNEXES

### RESOLUTIONS OF THE EUROPEAN PARLIAMENT

#### Resolution on the European gas industry

##### *The European Parliament*

[...]

*Urges* the EEC Commission to lose no time in examining the competitive position of gas from the following aspects: cheapness of energy supplies; security and long-term stability of supply; freedom of choice for consumers; absence of air pollution.

The survey should cover the price and delivery terms ruling at present for gas and for competitive fuels, as well as competitive conditions in the various countries which may hamper the freedom of consumers to choose gas; also technical processes and legal means must be found to obviate the risks to the supply which are

inherent where there is a single large pipeline;

[...]

To recommend that the Governments progressively develop the European network so that gas can be supplied through a rationally planned network of pipelines;

To determine how important a part gas can play in regional economic expansion;

To decide what further measures must be taken under the gas policy in order to achieve the unity of the common market in this field too and to give all consumers access, on an equal footing, to the new sources of supply.

[...]

#### Resolution containing the Opinion of the European Parliament on the draft regulation amending Regulation No. 9 on the European Social Fund

##### *The European Parliament*

[...]

*Expresses* its satisfaction that the proposed amendments to Regulation No. 9 have been submitted within the time-limit suggested;

*Notes* with regret, however, that these amendments are purely administrative whereas it would have liked to see the powers of the Fund substantially broadened forthwith;

*Recommends* once more that the Fund also concern itself with vocational re-training and supplementary training for underemployed persons who wish to continue working on their own account, and with preventive re-training for workers whose occupation offers no future;

*Considers* that aid for construction and financial assistance to workers in undertakings newly introduced into areas of the Community affected by structural unemployment present a new field of activity for the Social Fund;

*Hopes* that the Social Fund will at an early date contribute to a common policy for vocational training;

*Urges* furthermore that in so far as the amendments called for in the Report and the suggestions to broaden the activities of the Social Fund are not embodied in the final text of the regulation amending Regulation No. 9 they should as soon as possible form the subject of a new regulation.

[...]

## PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

### A. Items concerning the activities of the European Economic Community published in the official gazette of the European Communities between 9 January and 5 February 1963

#### EUROPEAN PARLIAMENT

##### Written questions and replies

- No 120 de M. Vredeling à la Commission de la CEE. Objet : Les récentes mesures prises ou à prendre par le gouvernement néerlandais en rapport avec la situation défavorable de certains secteurs de l'agriculture néerlandaise (No. 120 by M. Vredeling to the EEC Commission. Subject : Measures taken or contemplated by the Netherlands Government in view of the unfavourable position of certain sectors of Dutch agriculture) No. 1 p. 5/63
- No 119 de M. Blaisse à la Commission de la CEE. Objet : Application de l'article 85 du Traité de la CEE (No. 119 by M. Blaisse to the EEC Commission. Subject : Implementation of Article 85 of the EEC Treaty) No. 2 p. 13/63
- No 122 de M. Pedini à la Commission de la CEE. Objet : Fonds européen de développement (No. 122 by M. Pedini to the EEC Commission. Subject : European Development Fund) No. 2 p. 14/63
- No 123 de M. Müller-Hermann à la Commission de la CEE. Objet : Taxe compensatoire correspondant à la taxe sur les chiffres d'affaires, perçue à l'importation de laines peignées dans la République fédérale d'Allemagne (No. 123 by M. Müller-Hermann to the EEC Commission. Subject : Countervailing charge corresponding to turnover tax on worsted yarn imported into the Federal Republic of Germany) No. 2 p. 16/63
- No 124 de M. Vals à la Commission de la CEE. Objet : Importation des vins d'Algérie en France (No. 124 by M. Vals to the EEC Commission. Subject : Importation of Algerian wines into France) No. 2 p. 17/63
- No 114 de M. Nederhorst au Conseil de la CEE. Objet : Absence de décision en matière de formation professionnelle (No. 114 by M. Nederhorst to the EEC Council. Subject : Delay in taking decision on vocational training) No. 4 p. 25/63
- No 117 de M. Carcassonne au Conseil de la CEE. Objet : Renouvellement de la convention d'association (No. 117 by M. Carcassonne to the EEC Council. Subject : Renewal of the Association Convention) No. 8 p. 53/63
- No 126 de M. Blaisse à la Commission de la CEE. Objet : Application de l'article 85 du Traité de la CEE à certains accords de licence de brevet (No. 126 by M. Blaisse to the EEC Commission. Subject : Application of Article 85 of the EEC Treaty to certain patent licensing agreements) No. 13 p. 141/63

- N° 128 de M. Vanrullen à la Commission de la CEE. Objet : Garanties de moralité des fonctionnaires à intégrer (No. 128 by M. Vanrullen to the EEC Commission. Subject : Character references for establishment of officials) No. 19 p. 201/63
- N° 85 de M. Troclet à la Commission de la CEE (réponse complémentaire). Objet : Règlement n° 3 et convention de sécurité sociale du Traité de Bruxelles (No. 85 by M. Troclet to the EEC Commission (supplementary reply). Subject : Regulation No. 3 and the Social Security Convention of the Brussels Treaty) No. 19 p. 203/63
- N° 88 de M. Troclet à la Commission de la CEE (réponse complémentaire). Objet : Révision des droits à pension ou rente (No. 88 by M. Troclet to the EEC Commission (supplementary reply). Subject : Review of pension rights) No. 19 p. 204/63
- N° 95 de M. Deringer à la Commission de la CEE (réponse complémentaire). Objet : Examen des contrats d'exclusivité prévus à l'article 85-I du Traité de la CEE et de l'article 4 du règlement N° 17) (No. 95 by M. Deringer to the EEC Commission (supplementary reply). Subject : Examination of exclusive-dealing contracts under Article 85 (1) of the EEC Treaty and Article 4 of Regulation No. 17) No. 19 p. 204/63
- N° 97 de M. Charpentier à la Commission de la CEE (réponse complémentaire). Objet : Différents produits entrant dans la margarine (No. 97 by M. Charpentier to the EEC Commission (supplementary reply). Subject : Various products contained in margarine) No. 19 p. 205/63

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### Regulations

- Règlement n° 1/63/CEE du Conseil du 16 janvier 1963 reportant la date de la mise en application du régime des prélèvements pour certains produits du secteur de la viande de porc (EEC Council Regulation No. 1/63 of 16 January 1963 postponing the effective date of the levy system for certain products in the pigmeat sector) No. 9 p. 61/63
- Règlement n° 2/63/CEE de la Commission du 21 janvier 1963 modifiant les règlements n°s 109 et 110 de la Commission en ce qui concerne la définition du prix d'offre pour les truies de boucherie vivantes et pour les truies abattues (EEC Commission Regulation No. 2/63 of 21 January 1963 amending Commission Regulations Nos 109 and 110 as regards the definition of the offer price for live sows for slaughter and sow carcasses) No. 12 p. 137/63
- Règlement n° 3/63/CEE du Conseil du 24 janvier 1963 relatif aux relations commerciales avec les pays à commerce d'Etat en ce qui concerne les produits faisant l'objet des règlements n°s 19, 20, 21 et 22 du Conseil du 4 avril 1962 (EEC Council Regulation No. 3/63 of 24 January 1963 concerning trade with State-trading countries in products falling under Council Regulations Nos 19, 20, 21 and 22 of 4 April 1962) No. 14 p. 153/63

Règlement n° 4/63/CEE de la Commission du 29 janvier 1963 portant réduction du montant supplémentaire fixé par le règlement n° 135 de la Commission pour les importations de poules et poulets abattus en provenance de pays tiers (EEC Commission Regulation No. 4/63 of 29 January 1963 reducing the surcharge fixed by Commission Regulation No. 135 on imports of slaughtered hens and chickens from non-member countries)	No. 16 p. 174/63
Règlement intérieur de la Commission (Commission rules of procedure)	No. 17 p. 181/63
Règlement n° 5/63/CEE du Conseil du 28 janvier 1963 substituant provisoirement certaines dispositions à celles du règlement n° 55 du Conseil relatives au son (EEC Council Regulation No. 5/63 of 28 January 1963 temporarily substituting certain provisions for those of Council Regulation No. 55 concerning bran)	No. 18 p. 189/63
Règlement n° 6/63/CEE du Conseil du 28 janvier 1963 portant prorogation de la durée de validité du règlement n° 156 du Conseil (EEC Council Regulation No. 6/63 of 28 January 1963 extending the period of validity of Council Regulation No. 156)	No. 18 p. 190/63
Rectificatif au règlement n° 126 de la Commission portant adaptation et fixation des prix d'écluse applicables aux porcs vivants et abattus (J.O. n° 140 du 28/12/62) (Corrigendum to Commission Regulation No. 162 adjusting and fixing the sluice-gate prices applicable to live pigs and pig carcasses (official gazette, No. 140, 28 December 1962)	No. 14 p. 159/63

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Décision du Conseil du 14 mai 1962 portant détermination de l'autorité investie du pouvoir de nomination pour le secrétariat général des Conseils (Council Decision of 14 May 1962 determining the authorities empowered to appoint the Secretariat of the Councils)	No. 5 p. 34/63
Deuxième directive du Conseil en date du 18 décembre 1962 complétant et modifiant la première directive pour la mise en œuvre de l'article 67 du Traité (Second Council Directive dated 18 December 1962 supplementing and amending the first directive pursuant to Article 67 of the Treaty)	No. 9 p. 62/63
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Décision du Conseil du 18 décembre 1962 portant détermination de l'autorité investie du pouvoir de nomination pour la commission de contrôle (Council decision of 18 December determining the authorities empowered to appoint the Committee of Control)	No. 12 p. 139/63



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No. 3 p. 22/63

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## Directives and Decisions

Décision de la Commission prorogeant la décision du 15 mars 1961 portant fixation d'une taxe compensatoire sur les importations de poudre de lait entier dans la République fédérale d'Allemagne en application de l'article 46 du Traité de la CEE (Commission decision extending the decision of 15 March 1961 fixing, in pursuance of Article 46 of the EEC Treaty, a countervailing charge on milk powder imported into the Federal Republic of Germany)

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Décision de la Commission relative à la prorogation des mesures de sauvegarde accordées le 27 juillet 1961 à la République italienne pour le soufre, pour le sulfure de carbone et pour le sulfure de sodium (Commission décision concerning the extension of the safeguard measures granted to the Republic of Italy on 27 July 1961 for sulphur, carbon bisulphide and sodium sulphide)

No. 4 p. 27/63

Décision de la Commission relative à la prorogation des mesures de sauvegarde accordées le 28 février 1962 à la République italienne pour le sulfure de carbone (Commission decision concerning the extension of the safeguard measures granted to the Republic of Italy on 28 February 1962 for carbon bisulphide)

No. 4 p. 28/63

Décision de la Commission portant augmentation du volume du contingent tarifaire octroyé à la République fédérale d'Allemagne pour les harengs et esprotts, frais, réfrigérés ou congelés (Commission decision enlarging the tariff quota granted to the Federal Republic of Germany for fresh, chilled or frozen herring and sprats)

No. 4 p. 29/63

Décision de la Commission portant augmentation du volume du contingent tarifaire octroyé à la République italienne pour les thons, frais, réfrigérés ou congelés, destinés à l'industrie de la conserve de poisson (Commission decision enlarging the tariff quota granted to the Republic of Italy for fresh, chilled or frozen tunny for canning)

No. 4 p. 31/63

Décision de la Commission autorisant l'augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le ferro-chrome (Commission decision authorizing an increase in the tariff quota of the Kingdom of the Netherlands for ferro-chrome)

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Décision de la Commission autorisant l'augmentation du volume du contingent tarifaire au bénéfice du royaume de Belgique et du grand-duché de Luxembourg pour le ferro-chrome (Commission decision authorizing an increase in the tariff quota of the Kingdom of Belgium and the Grand Duchy of Luxembourg for ferro-chrome)	No. 5 p. 36/63
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Décision de la Commission en date du 21 décembre 1962 portant fixation des primes s'ajoutant aux prélèvements et des montants à soustraire ou à ajouter pour le calcul des restitutions pour les céréales (Commission decision of 21 December 1962 fixing the premiums added to the levies and the amounts to be added or subtracted in computing refunds for cereals)	No. 11 p. 109/63
Décision de la Commission en date du 2 janvier 1963 portant fixation des primes s'ajoutant aux prélèvements et des montants à soustraire ou à ajouter pour le calcul des restitutions pour les céréales (Commission decision of 2 January 1963 fixing the premiums added to the levies and the amounts to be added or subtracted in computing refunds for cereals)	No. 11 p. 112/63
Décision de la Commission en date du 3 janvier 1963 portant fixation des primes s'ajoutant aux prélèvements et des montants à soustraire ou à ajouter pour le calcul des restitutions pour les céréales (Commission decision of 3 January 1963 fixing the premiums added to the levies and the amounts to be subtracted or added in computing refunds for cereals)	No. 11 p. 114/63
Décision de la Commission en date du 21 décembre 1962 portant fixation des prix franco-frontière des céréales, farines, gruaux et semoules (Commission decision of 21 December 1962 fixing free-to-frontier prices for cereals, flour, groats and meal)	No. 11 p. 121/63

- Décision de la Commission en date du 4 janvier 1963 portant fixation des prix franco-frontière des céréales, farinés, gruaux et semoules (Commission decision of 4 January 1963 fixing free-to-frontier prices for cereals, flour, groats and meal) No. 11 p. 126/63
- Décision de la Commission portant octroi du concours du Fonds social européen au bénéfice de la République italienne pour des opérations de rééducation professionnelle (Commission decision granting aid from the European Social Fund to the Republic of Italy for workers' retraining schemes) No. 13 p. 144/63
- Décision de la Commission portant octroi du concours du Fonds social européen au bénéfice de la République italienne pour des opérations de rééducation professionnelle (Commission decision granting aid from the European Social Fund to the Republic of Italy for workers' retraining schemes) No. 13 p. 145/63
- Décision de la Commission relative à la prorogation des mesures de sauvegarde accordées à la République italienne, le 27 juillet 1961, pour le plomb brut et pour le zinc brut et le 28 février 1962 pour les déchets et débris de plomb et pour les déchets et débris de zinc (Commission decision concerning the extension of the safeguard measures granted to the Republic of Italy on 27 July 1961 for unwrought lead and zinc and on 28 February 1962 for lead and zinc waste and scrap) No. 16 p. 175/63
- Décision de la Commission portant prorogation et modification de sa décision du 10 octobre 1962 autorisant la perception d'une taxe compensatoire sur les importations en République fédérale d'Allemagne, de pain en provenance du royaume des Pays-Bas (Commission decision extending and amending its decision of 10 October 1962 authorizing the Federal Republic of Germany to impose a countervailing duty on imports of bread from the Netherlands) No. 16 p. 177/63
- Décision de la Commission portant fixation des prix franco-frontière du blé tendre destiné à l'amidonnerie valables le 30 juillet 1962 (Commission decision fixing free-to-frontier prices for wheat other than durum intended for starch manufacture valid on 30 July 1962) No. 16 p. 178/63
- Décision de la Commission portant octroi du concours du Fonds social européen au bénéfice de la République italienne pour des opérations de réinstallation (Commission decision granting aid from the European Social Fund to the Republic of Italy for resettlement schemes) No. 19 p. 208/63
- Décision de la Commission au bénéfice de la République fédérale d'Allemagne portant octroi d'un contingent tarifaire pour les harengs et les esprotts (Commission decision granting the Federal Republic of Germany a tariff quota for herrings and sprats) No. 19 p. 209/63
- Décision de la Commission portant octroi d'un contingent tarifaire à la République italienne pour les pommes de terre de semence (Commission decision granting the Republic of Italy a tariff quota for seed potatoes) No. 19 p. 211/63

## European Development Fund

- Avis d'appel d'offres n° 257 lancé par la République gabonaise (Notice of call for tender No. 257 issued by the Republic of Gabon) No. 1 p. 10/63
- Approbation d'investissements de caractère économique dans les Républiques du Congo-Brazzaville, du Gabon, centrafricaine, française (pour le département de la Guyane), de Rwanda et dans le territoire des Comores (Approval of economic investments in the Republic of Congo (Brazzaville), the Republic of Gabon, the Central African Republic, the French Republic (for the department of Guiana), the Republic of Rwanda and the Comoro Islands) No. 2 p. 19/63
- Avis d'appel d'offres n° 258 lancé par la république du Sénégal (Notice of call for tender No. 258 issued by the Republic of Senegal) No. 5 p. 38/63
- Avis d'appel d'offres n° 259 lancé par la République togolaise (Notice of call for tender No. 259 issued by the Republic of Togo) No. 5 p. 39/63
- Approbation d'investissements de caractère social dans les républiques de Haute-Volta, du Dahomey, du Togo et centrafricaine (Approval of social investments in the Republics of Upper Volta, Dahomey and Togo and in the Central African Republic) No. 5 p. 40/63
- Signature de trois conventions de financement (entre la CEE et la république de Haute-Volta, la CEE et la république du Niger, la CEE et le royaume de Burundi) (Signature of three financing agreements: between the EEC and the Republic of Upper Volta, between the EEC and the Republic of Niger and between the EEC and the Kingdom of Burundi) No. 5 p. 41/63
- Avis d'appel d'offres n° 260 lancé par la République Malgache (Notice of call for tender No. 260 issued by the Republic of Madagascar) No. 7 p. 51/63
- Approbation d'investissements de caractère social au Surinam (Approval of social investments in Surinam) No. 12 p. 140/63
- Appel à la concurrence n° 261 de la République fédérale du Cameroun relatif à la présélection des entreprises admises à participer à l'appel d'offres restreint qui sera lancé ultérieurement pour la construction du premier tronçon du chemin de fer transcamerounais (Invitation No. 261 to firms to apply for consideration for the limited call for tender to be issued by the Federal Republic of Cameroun for the construction of the first section of the trans-Cameroun railway) No. 18 p. 192/63
- Avis d'appel d'offres n° 262 lancé par la république fédérale du Cameroun (Notice of call for tender No. 262 issued by the Federal Republic of Cameroun) No. 18 p. 194/63
- Avis d'appel d'offres n° 263 lancé par la république du Sénégal (Notice of call for tender No. 263 issued by the Republic of Senegal) No. 18 p. 195/63

Approbation d'investissements de caractère social dans la République du Tchad (Approval of social investments in the Republic of Chad)

No. 18 p. 197/63

Signature de deux conventions de financement (entre la CEE et la République fédérale du Cameroun, entre la CEE et le territoire de la Côte française des Somalis) (Signature of two financing agreements: between the EEC and the Federal Republic of Cameroun and between the EEC and French Somaliland)

No. 18 p. 198/63

### Notice of public competitive examinations

Disposition communes au concours de recrutement (General arrangements for selective competitive examinations)

No. 13 p. 147/63

Avis de concours n° CEE/12/L (traducteurs-adjoints en langues allemande, française, italienne, néerlandaise et anglaise) [Notice of competitive examination No. EEC/12/L (Dutch, English, French, German and Italian translators)]

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### General Information

Composition des Comités consultatifs pour les produits agricoles (Composition of the consultative committees for agricultural products)

No. 14 p. 156/63

## THE COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

### Judgments

Arrêt de la Cour dans les affaires jointes 2 et 3-62 (Judgment of the Court in consolidated actions 2 and 3/62)

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Arrêt de la Cour dans les affaires jointes 16 et 17-62 (Judgment of the Court in consolidated actions 16 and 17/62)

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Arrêt de la Cour dans les affaires jointes 19 à 22-62 (Judgment of the Court in consolidated actions 19 to 22/62)

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Arrêt de la Cour dans les affaires jointes 31 et 33-62 (Judgment of the Court in consolidated actions 31 and 33/62)

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### Rulings

Ordonnance du Président de la Cour dans l'affaire 25-62 R.2 (Ruling of the President of the Court in case 25/62 R.2)

No. 13 p. 143/63

### **B. Issues of the agricultural supplement to the official gazette containing the tables appended to the Commission's decisions fixing cif prices, premiums added to levies, cif prices for forward purchases and free-to-frontier prices for cereals**

Supplement No. 1 of 28 January 1963

Supplement No. 2 of 30 January 1963

Supplement No. 3 of 6 February 1963

## C. Recent publications of the European Economic Community

### Occasional publications

- 8078 Carte des courants de trafic de pétrole brut et de produits pétroliers en Europe (Map showing trade flows in crude oil and petroleum products in Europe. Situation on 31 December 1961) December 1962. Map and explanatory note 12 pp. (French, German, Italian, Dutch)  
Price : 7s.; \$1; Bfrs. 50
- 8072 The Association of the African States and Madagascar with the European Economic Community and their Industrial Development 1962. 20 pp. (English, German). Free
- 8073 Les problèmes soulevés par les relations entre les états africains et malgache et la CEE  
Discours prononcé par M. Henri Rochereau, membre de la Commission de la Communauté économique européenne, à l'occasion de la journée de l'Afrique, organisée par l'Afrika Instituut, La Haye — 29 octobre 1962. 24 p. (français). Gratuit.  
(Relations between the African States and Madagascar and the EEC: Address by M. Henri Rochereau, member of the Commission of the European Economic Community, to the Symposium on Africa organized by the Afrika Instituut. The Hague, 29 October 1962) 24 pp. (French). Free
- 8074 L'intervention de la CEE dans les pays associés  
Communication faite à la Conférence économique africaine et malgache (Marseille, 18, 19 et 20 octobre 1962) par M. Jacques Ferrandi, Directeur des études et programmes de développement à la Direction générale du développement de l'outre-mer. 32 p. (français). Gratuit.  
(EEC action in the associated countries: Address delivered to the African and Malagasy Economic Conference (Marseilles, 18, 19 and 20 October 1962), by M. Jacques Ferrandi, Director of Research and Development Programmes in the Directorate General for Overseas Development)  
32 pp. (French). Free
- 8081 La sécurité sociale dans la Communauté européenne  
Discours prononcé par le prof. Lionello Levi Sandri, président du groupe des affaires sociales de la Communauté économique européenne à l'occasion de la Conférence européenne sur la sécurité sociale, organisée par les trois Communautés européennes (Bruxelles, 10-15 décembre 1962)  
32 p. (français, allemand, italien, néerlandais). Gratuit.  
(Social security in the European Community: Address by Professor Levi Sandri, President of the Social Affairs Group, at the European Conference on Social Security organized by the three European Communities; Brussels, 10-15 December 1962)  
32 pp. (French, German, Italian, Dutch). Free

### Periodical publications

- 8068\* Résultats de l'enquête de conjoncture auprès des chefs d'entreprise de la Communauté. (Findings of the Community business survey).  
Three issues a year. February 1963. Two bilingual editions: French/Italian; German/Dutch  
Price per issue: 5s.; \$0.70; Bfrs. 100  
Annual subscription: 14s. 3d.; \$2.—, Bfrs. 100

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. 23-24. Free

## **D. Publications by the Joint Services of the three Communities**

### Joint Information Service

Publications by offices in capital cities :

Bonn : Europäische Gemeinschaft, No. 5, March 1963;  
The Hague : Europese Gemeenschap, No. 46, March 1963;  
Paris : Communauté européenne, No. 2, February 1963;  
Rome : Comunità Europea, No. 1/2, January-February 1963;  
London : European Community, No. 2, February 1963;  
Washington : European Community, No. 59, January 1963.

### Statistical Office of the European Communities

General statistics - No. 2/1963.

Foreign trade : monthly statistics - No. 2/1963.

Foreign trade : geographical code.

Statistical and tariff classification for international trade (CST) — 2nd French edition.

